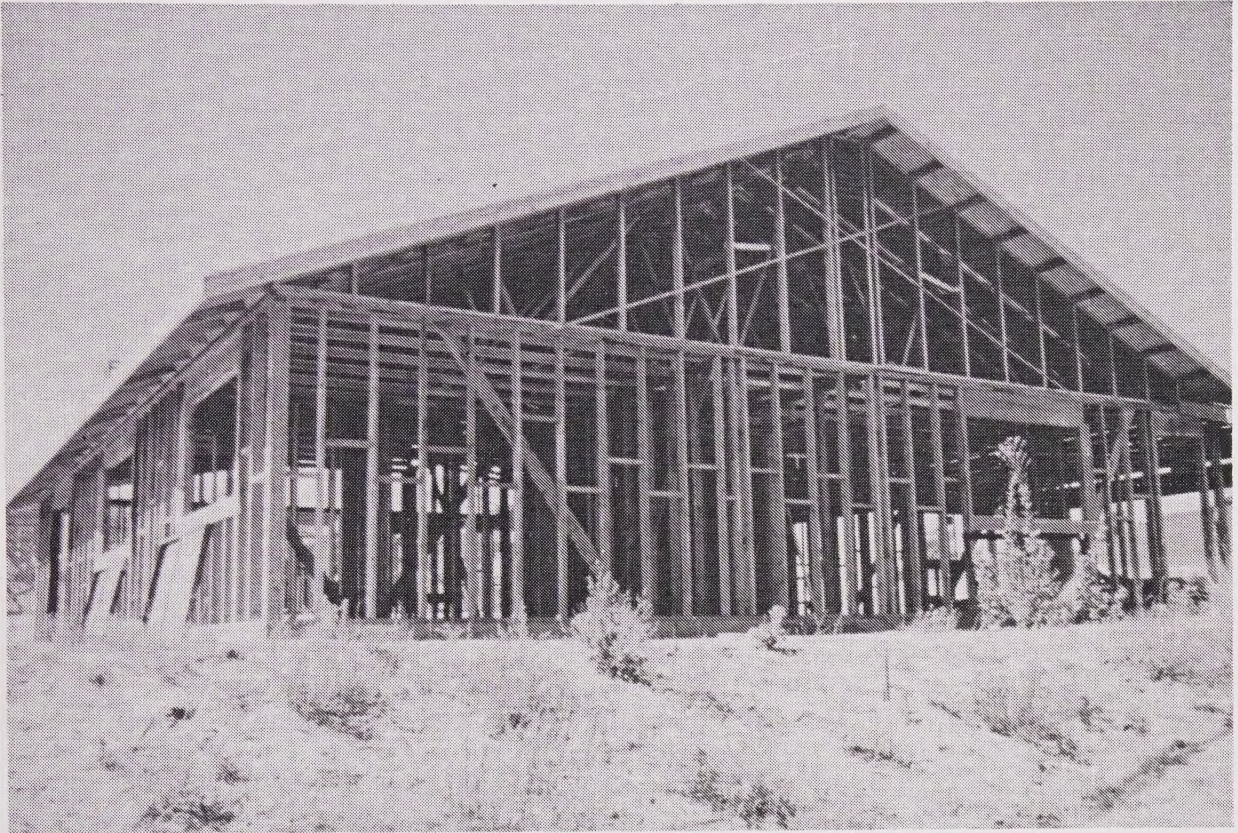


HOUSING ELEMENT

SAN LUIS OBISPO COUNTY GENERAL PLAN



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SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

COUNTY OF SAN LUIS OBISPO

SAN LUIS OBISPO COUNTY GENERAL PLAN

THE HOUSING ELEMENT

ADOPTED BY
THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS
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Kami Griffin, Senior Planner
John Busselle, Associate Planner, Project Planner
Jean McKown, Word Processing
Dan Lambert, Mapping & Graphics Technician

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PREFACE - USE OF THE HOUSING ELEMENT

WHAT IS A HOUSING ELEMENT?

The Housing Element is one "chapter" of the San Luis Obispo County General Plan. It examines the problems of obtaining adequate housing in this county and explains how the county government intends to assist in solving such problems. In discussing housing problems and possible solutions, the Housing Element is intended to suggest alternate ways of handling persistent problems, as well as to reinforce existing successful methods.

Present housing problems have reached a point where local government can take a more active and effective role in working toward their solution, but it must be recognized that housing problems cannot be solved by government alone. Local government can initiate, encourage, coordinate, and assist in a wide range of efforts, involving all the people and interests concerned with housing. If such efforts are successful, housing problems will become less serious and less widespread.

HOW WILL DECISION-MAKERS USE THE HOUSING ELEMENT?

This report will provide guidance for county officials making decisions that affect housing. Such decisions may involve the process of reviewing new subdivision proposals, housing assistance programs, new sewer lines or other issues that affect the supply and availability of housing.

HOW WILL PLANNERS AND OTHER COUNTY STAFF USE THE HOUSING ELEMENT?

One important job of county staff is to advise decision makers. The general plan and its elements are used to help assure that such advice is consistent and comprehensive. It will also be used to guide staff in responding to public inquiries on county housing policies.

HOW WILL THE GENERAL PUBLIC USE THE HOUSING ELEMENT?

This report is intended to provide information for people interested in the process of satisfying housing needs. As a statement of what the county plans to do about housing, this Housing Element also provides a means for the public to evaluate the effectiveness of government in the specific policy areas it addresses. The public can expect the county to make a good-faith effort to support the policies set out in the document and to implement its programs.

Users of this document should first review the brief summary beginning on page ii-1. The table of contents will help in locating particular sections of interest. For those who want more information on the plan, the progress of specific programs, or the location of materials referred to in this document, the staff of the county Planning Department can be of assistance.

SUMMARY

A. INTRODUCTION

The Housing Element update has been prepared using predominately 1990 census data. This was done because the 1990 census provides the most comprehensive set of data available to date on a countywide basis. The 1980's, especially the years between 1985 and 1990, were characterized by rapid growth and dramatic increases in housing cost throughout the county. Due to the recession, which began in 1990, both population growth and housing costs began to decline. Housing prices fell 10-20 percent in many areas of county, based on limited sales information. Population growth slowed from an average of 6,172 persons per year between 1980 and 1990 to 2,370 persons per year in 1990 and 1991.

Recent estimates from the state Department of Finance for 1992 show a significant change in population growth from the 1990 and 1991 levels. In 1992, countywide population increased by 6,478 persons. This is comparable to the highest levels of growth in the 1980's. Housing prices, while still below their previous highs, have either leveled off or started to increase in many areas of the county.

The following summary of the Housing Element is intended to help identify sections of interest for those not wishing to read the entire report; however, when complex issues are summarized they may appear misleadingly simple. If part of this summary covers a concern of particular interest, the corresponding section of the main report should be reviewed for more detail. Chapter 3 should be helpful for those interested in the population and housing characteristics of a particular community.

As changes in the county affect housing policy, the Housing Element will be amended through the public hearing process.

B. HOUSING PROBLEMS, ISSUES AND CONCERNS

Existing conditions and problems in the county housing market:

- . Between 1980 and 1990 the price of housing in the county rose faster than most household incomes. According to the 1990 census, the median value of a residence in the county has increased 173% since 1980. During the same period, median household income increased 110%.
- . Despite high housing costs, the county is not a wealthy area. The county's median income is lower than median income in neighboring counties to the north and south. The county now ranks 21st out of 58 California counties in median income. In many

households, both partners must work to cover housing costs, an option obviously unavailable to single persons.

Interest rates have declined in recent years but prices are still too high for many families. A family earning the median income in 1990 could not afford to purchase a residence priced at the 1990 median value. (Based on 20% down, 30 year term mortgage.) Many first-time buyers have been eliminated from the market. The recession and potential job losses have also kept many potential buyers out of the market.

Residents have been competing for housing with new county arrivals, many of whom have large amounts of cash from previous home sales. Eighty-four percent of county growth between 1980 and 1990 has been due to new arrivals, many from areas with higher property values and incomes. In-migration has slowed somewhat since 1990. This is partly due to the recession and partly due to higher housing costs. The county, however, remains a desirable place to live and in-migration is expected to increase.

According to the 1990 census, 81 percent of the households earning less than \$20,000 paid 30 percent or more of their income for rent. A total of 71 percent paid 35 percent or more of their income for rent, reducing cash available for other necessities.

Consumer and producer concepts of need dramatically influence housing cost. Between 1950 and 1980 the median size of new homes increased from 800 to 1,600 square feet. Since 1985, the average residence constructed in the unincorporated area has been 2500 to 3000 square feet. Amenities such as air conditioning, built-in appliances, wall-to-wall carpeting, two-car garages and multiple baths have become standard in many homes.

Increasing energy, maintenance and general home operating costs are reducing housing affordability. Residential energy standards have been adopted to make new homes more energy efficient. Many older homes, however, were built without considering total energy use and future operating cost. With the increase in rental and purchase costs, many families have less money for maintenance and improvements. Compounding the problem is a continuing increase in the retail cost of energy.

Competition for rental units was high throughout the 1980's. In the unincorporated area, the vacancy rate for rental units in 1990 was low at 2.1% and has changed only slightly since 1980. New county arrivals, high home ownership costs, and a decline in the population per household combine to increase competition and overall rent.

New rental construction has been inhibited by high development costs and the belief that rental housing is a poor investment when compared with single family residences. This belief was fueled in the late 1980's by a strong demand for large single family dwellings which generate high profits for developers. The situation for multi-family units (type most likely to be rented) in the unincorporated area has not improved in recent years.

From a high of 123 permits in fiscal year 88/89, permits issued for multi-family units declined to 13 in fiscal year 91/92.

- . The city of San Luis Obispo is the major employment center of the county. Up until the mid 1980's, persons employed in the city of San Luis Obispo could find affordable housing there. High prices and competition for fewer available housing units have forced many people out of the city and into surrounding communities. This has led to an increase in commuting throughout county.
- . Many farmworkers are living in substandard housing such as recreational vehicles and tents.
- . Homelessness has increased dramatically in the county since 1980. Only one official homeless shelter exists, in the city of San Luis Obispo. Due to its size and location, this shelter is unable to assist many of the county's homeless.

C. EXPLORING SOLUTIONS

The programs in Chapter 4 are actions that will carry out county housing policies. Because housing problems are numerous and complicated, no single action or agency can solve them all. The Housing Element proposes a number of programs to address housing needs, with the understanding that each program will help with only a portion of the overall need. It is also recognized that some solutions can produce other unwanted "side-effects" and may even aggravate housing problems. Apparently quick and easy solutions should therefore be carefully evaluated.

The programs of the Housing Element are far from being the only solutions to housing problems. Other solutions should continue to be explored, and any new programs must be chosen on the basis of their consistency with established county policy and the following criteria:

1. The potential of a program to reach those who need it and are current residents of the county.
2. The amount of funding needed to begin and continue the program.
3. The ability of the program to operate without adversely affecting other aspects of the housing market.
4. The extent to which the program avoids long-term negative impacts.

CHAPTER 1: ORGANIZATION AND EFFECT OF THE HOUSING ELEMENT

A. INTRODUCTION

The California State Legislature has adopted early attainment of the national housing goal of a decent home in a suitable living environment for all citizens as a high-priority goal. Recognizing the significant role of local government in this goal, and to assure that local planning effectively implements statewide housing policy, the legislature has mandated that all cities and counties adopt a Housing Element as part of their general plan.

Housing elements were first required in 1967, through amendments to Section 65302(c) of the Government Code, which specifies the mandatory content of the general plan. Revisions to that law occurred in 1980 under Assembly Bill 2853, which was codified as Article 10.6, Sections 65580 through 65589 of the Government Code. In 1982, Article 10.7, Section 65590 was added to address low and moderate income housing within the coastal zone.

Under Sections 65580 et seq., a housing element must consist of standards and plans for the improvement of housing and for provision of adequate sites for housing. The element must address the housing needs of all economic segments of the community.

B. ORGANIZATION OF THE HOUSING ELEMENT

Government Code Sections 65580 et seq., regarding housing element content can be divided into three broad areas:

- the identification and analysis of existing and projected housing needs and an inventory of resources and constraints relevant to the meeting of those needs;
- a statement of goals, policies, and quantified objectives; and,
- a discussion of scheduled programs for the preservation, improvement and development of housing.

As a result, the county's Housing Element satisfies the requirements through the following chapters:

Chapter 2 identifies and analyzes housing problems, issues and concerns, as well as the constraints inhibiting their solution.

Chapter 3 summarizes unincorporated county demographic and socio-economic information, as well as discusses the county's housing supply, resources, and needs.

Chapter 4 addresses all aspects of the problem-solving strategy and includes housing objectives, policies and programs.

Appendix A summarizes proposed housing programs, as well as programs currently serving unincorporated county residents. In addition, it identifies existing and proposed funding sources, agencies and groups capable of implementing the programs, and the estimated annual number of households expected to benefit from each program between 1985 and 1990.

C. RELATIONSHIP OF THE HOUSING ELEMENT TO OTHER GENERAL PLAN ELEMENTS

The Housing Element is closely related to the other parts of the general plan. Some elements provide input to the Housing Element, while others help carry out the goals and policies of the Housing Element. The safety, noise, open space and conservation elements of the general plan concern environmental or man-made factors that may limit the location or type of housing that can be developed. The first two identify hazards to be avoided or mitigated when locating or constructing new housing. The latter two elements (open space and conservation) highlight resources that should be protected from development. All such factors will ultimately affect the type, location and cost of housing; and therefore, also could affect a community's ability to meet the goals of its housing element.

The Housing Element is most affected by the development policies of the Land Use Element, which establish location, type, intensity, and distribution of land uses throughout the county. The Land Use Element places an upper limit on the number and type of housing units that can be constructed in designating the total acreage and density of residential development. Acreage set aside for commercial and industrial uses creates employment opportunities, which in turn have the potential for creating a higher demand for housing in the county.

The Circulation Element establishes the location and scale of proposed thoroughfares, streets and transportation routes which support and provide access to the proposed land use designations.

D. REGIONAL RELATIONSHIPS

Housing is a regional issue. Because housing market forces do not follow political boundaries, policies adopted in one jurisdiction will impact others. Therefore, it is essential that the cities, county, branches of government that create housing need (Cal Poly, Men's Colony, etc.), local housing authorities, non-profit organizations, private developers, and interested citizens engage in a coordinated and cooperative effort to plan for and implement a countywide housing

program, responsive to anticipated population and employment growth, identified needs, and fair-share responsibilities.

E. HOUSING ELEMENT REVIEW AND REVISION

To be sure that the programs, policies and priorities of the Housing Element are effective in reducing housing problems, program operation must be regularly monitored and reviewed against the recommendations of this report as well as the other elements of the general plan. The Housing Element will be revised every five years in accordance with Section 65588(b) of the Government Code, which requires that housing elements be revised as appropriate, but not less than every five years, to reflect the results of this periodic review. The first such revision was completed in December of 1986.

Because of the dynamic character of growth and change in the county, changes in the economy and uncertainty about the availability of state, federal, and local funding, the county will reevaluate its housing program each year. In addition to assessing its effectiveness, periodic revisions should incorporate new census data, describe programs the county has undertaken since the last update or intends to implement in the future, and identify any plans which have been discontinued and the reasons for such action.

The goals, objectives, and policies set forth in the Housing Element, which was adopted by the Board of Supervisors in 1982 and amended in 1986, have been reviewed to determine whether they contribute to the attainment of the state housing goal and the county's housing goals and objectives, and to assess the county's progress in implementing the Housing Element. This review has been an ongoing effort since adoption of the element, and has resulted in a number of refinements in county policies, which have been incorporated into this amended Housing Element.

CHAPTER 2: HOUSING PROBLEMS, ISSUES AND CONCERNS

A. INTRODUCTION

Housing problems have been common throughout history, and have been combatted with a wide variety of remedies. Though housing problems have changed over time (and differ both among communities and within communities), their severity can be defined only by persons experiencing them. Housing problems cannot be solved solely by government or be identified solely through a report or body of statistical data.

Housing is a product and a process; physical, social, emotional and economic in nature. As basic shelter, housing is a necessity; but it represents much more than physical structures. Housing has become an emotionally-charged subject, a symbol of status, achievement and social acceptance. Housing can affect the way individuals see themselves and are seen by others.

Housing has become an investment as well as a place to live. Housing investors range from a family buying its first home to non-resident investors who own rental units. Ours has been called a "post-shelter society" because the value of housing as shelter is, for some people, being replaced in priority by investment and tax shelter values.

More important than investment, however, is the fact that home ownership provides a degree of control over one's personal living environment seldom achieved in a rental situation. Homeowners do not have to worry about arbitrary eviction or rent increases. They are also free to modify the building to meet their changing needs.

Home ownership generally fosters a feeling of association with the community, its fortunes, welfare and future. Also, it develops a feeling of solidity as contrasted to the transient and temporary.

Not all individuals choose (or are able) to own housing. Their housing needs are generally satisfied by the rental market. Almost all rental housing is produced by the private sector based on its investment potential.

Housing is a universal need. The existing housing stock plus new housing production provide the potential resources for meeting that need. Unmet need is expressed as problems, issues and concerns, which reflect the gap between what people need and what the housing stock and market provide.

Two methods are used in this chapter to determine when a housing related concern or problem constitutes a need. The first method uses standards or criteria that measure particular housing qualities and conditions. An example is the standard used by the U.S. Department of Housing

and Urban Development to determine when very low, lower and moderate income households are overpaying for housing. According to that standard, households are "overpaying" for housing when more than 30% of the households gross income is being used for housing, including utilities.

The other general method of determining whether a particular condition or problem constitutes a need is to ask occupants, interested groups or agencies that deal with a particular problem or serve a special group of citizens. This method was used in preparing this Housing Element by holding citizen participation meetings, by working with the Housing Task Force and by discussing housing conditions and problems with various county government departments and a number of public and private sector providers of housing and related services.

This report also discusses problems, issues and concerns identified by the county Grand Jury Committee on Health, Education and Welfare in addition to citizen and elected officials' comments at a variety of Planning Commission, Board of Supervisors and Council of Governments hearings.

A variety of housing problems have been identified in the county, though some will disagree about the existence or severity of problems identified by others. Some problems and their severity are obvious while others are not. Some may now be relatively insignificant but may become more serious if left unchecked. Some problems affect a small percentage of the population, while others affect all to varying degrees. Regardless of the number of people experiencing a particular problem, it must be realized that the problem is important to them.

This chapter discusses individual housing problems, issues and concerns identified in San Luis Obispo County. Problems have been grouped into five general categories for discussion: home ownership and rental; housing preservation and rehabilitation; housing discrimination; housing near employment, transportation and services and special needs. The following index illustrates how problems have been grouped as well as where discussions are located within the text.

B. PROBLEM INDEX

HOME OWNERSHIP AND RENTAL

1. Home ownership costs and family income
2. Producer and consumer concepts of need
3. Housing as an investment
4. Second homes
5. New county arrivals
6. Young families
7. Decreasing household size
8. Need for self-help housing programs

9. Availability of public facilities and services necessary for new development
10. Need for coordination among providers of housing services
11. Attitudes toward housing grants and programs
12. Least-cost, "no frills" housing
13. Effects of energy inefficiency and increasing utility costs
14. High rent
15. Supply of new rental units
16. Rent increases as rental units are sold
17. Availability of efficiency and one bedroom units
18. Conversion of apartment units and mobilehome parks to condominiums or cooperatives
19. Need for county housing authority
20. Impact of Cal Poly students on housing stock
21. Increasing cost of mobilehome space rent
22. Competition for rental units
23. Low vacancy rate
24. Disputes between landlords and tenants
25. Landlord/tenant relations
26. Ethnic and racial minorities
27. Overpayment
28. Overcrowding

HOUSING PRESERVATION AND REHABILITATION

29. Need for housing rehabilitation and preservation programs
30. Substandard housing
31. Loss of existing housing units
32. Persons displaced by public action

HOUSING DISCRIMINATION

33. Discrimination in the sale and rental of housing based on sex, race, religion, and other arbitrary factors
34. Perceptions of low and moderate income

HOUSING NEAR EMPLOYMENT, TRANSPORTATION AND SERVICES

35. Housing near employment and services
36. Need for compatible "mixed-use" development
37. Need for efficient land use patterns and staged growth

SPECIAL NEEDS

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39. The elderly
40. Large families
41. Farmworkers
42. Single parents and families with children
43. Homelessness

C. PROBLEM DISCUSSIONS

1. Home ownership costs and family income

It is becoming increasingly difficult for residents of San Luis Obispo County (especially those with low and moderate incomes) to become homeowners. Because the costs of owning a home throughout California are increasing faster than average incomes, most home purchases have become limited to higher income households and those with substantial equity from a previous home sale. First-time buyers have been all but eliminated from the market.

Rapidly increasing housing costs in this county result from several complex and interrelated factors, including increases in the costs of land, labor, materials, construction and mortgage financing; government requirements and review time; housing seen as an attractive investment; consumer and producer concepts of need; and increased competition from new county residents. These components are discussed individually in the following sections.

According to the 1990 census, the median value of a residence in the county increased 173% (\$78,700 to \$215,300) since 1980 , while household income increased approximately 110 percent (\$14,805 to \$31,164). The 1990 census identified San Luis Obispo as being 22nd of the 58 California counties, on the basis of median household income. In 1980 the county was 39th out of 58 counties in median income. The Department of Housing and Urban Development estimates the county's median income as of May of 1992 at \$37,000. This moves San Luis Obispo county to 21st among California counties in median income, however, it is still lower than neighboring coastal counties to the north and south.

Actual selling prices for housing units cannot be determined accurately from census data and records from local real estate boards and data collection services is incomplete at this time. Some information can be obtained from looking at the census data on home values. These values are obtained by asking the homeowner what he or she thinks the value of the home is. They are divided into three categories: lower quartile, median and upper quartile. The quartiles represent the amounts at which 25, 50 and 75 percent of the responses lie below. For example, 25% of the responses lie below the lower quartile, 50% below the median and 75% below the upper quartile. The following table shows reported home values for owner occupied housing in several unincorporated communities and countywide.

Quartile Values of Owner Occupied Housing Units (Unincorporated Area)

Community	Lower Quartile	Median	Upper Quartile
Oceano	\$114,800	\$156,700	\$195,400
San Miguel	\$71,800	\$90,200	\$113,200
Cambria	\$209,600	\$277,200	\$373,400
Cayucos	\$200,900	\$280,300	\$381,100
Baywood/Los Osos	\$167,100	\$207,900	\$276,000
Nipomo	\$140,000	\$188,600	\$270,500
Lake Nacimiento	\$130,000	\$150,700	\$183,300
Templeton	\$154,100	\$190,800	\$234,000
Countywide	\$158,500	\$215,300	\$291,900

Source: 1990 Census, Data includes all types of units.

Though the total price of a home is important, the primary determinant of affordability is the monthly payment, influenced heavily by the mortgage interest rate. An increase of one or two percent can often mean the difference between affording or not affording a home. The following table illustrates the range of typical monthly payments required to purchase homes priced between \$100,000 and \$240,000, based on a 30-year amortized loan.

MONTHLY HOUSE PAYMENTS - 1992

Purchase Price	Loan Amount	Monthly Payment		Required Annual Income	
		7%	8.25%	7%	8.25%
\$120,000	\$96,000	\$638.69	\$721.21	\$25,547	\$28,848
\$150,000	\$120,000	\$798.36	\$901.51	\$31,934	\$36,060
\$180,000	\$144,000	\$958.03	\$1,081.82	\$38,321	\$43,272
\$210,000	\$168,000	\$1,117.70	\$1,262.12	\$44,708	\$50,484
\$240,000	\$192,000	\$1,277.38	\$1,442.43	\$51,095	\$57,697

Monthly payment based on 20 percent down payment and 7% adjustable and 8.25% fixed rates (typical in late 1992) for a 30-year loan. This figure does not include utilities, insurance, maintenance or taxes.

Required annual income is based on 30% of the owners income needed for principal and interest payments. Many other factors affect the income requirements set by lending institutions.

2. Producer and consumer concepts of need

The quality and size of homes has dramatically changed in the past 30 years. Between 1950 and 1980, the median size of a new home increased from 800 to 1,600 square feet, mostly because of larger rooms, more bedrooms, and the addition of dens and family rooms. Air conditioning, built-in appliances, wall-to-wall carpeting, double-car garages, two or more baths and other features have become standard in most homes, contributing to increased sale prices. A review of county building permit records shows that between July of 1989 and June of 1992, the average single family dwelling constructed varied between 2500 and 3000 sqft. in size. While household size has decreased slightly since 1980, the size of the average single family dwelling has increased dramatically. As long as demand for larger homes is strong, developers are less likely to build smaller, more affordable units.

3. Housing as an investment

Housing has become an investment as well as a place to live. Nationally, many ordinary households as well as professional corporate investors have recognized the investment opportunities of housing. This was especially true in the late 1970'S and late 1980'S when housing prices increased much faster than the rate of inflation and most other investments. The investment nature of housing has created definite distributional differences in wealth. Those able to invest become financially better off, while those unable to do so lose progressively more ground to inflation.

Housing also offers unique tax advantages, which increase its attractiveness as an investment. Homeowners can deduct mortgage interest payments and property taxes from yearly taxable income. Homeowners are also able to sell a house without paying capital gains taxes on the proceeds (as long as another, more expensive home is purchased) and may extract \$125,000 in capital gains after the age of 55 without paying any tax. No other investment offers remotely equivalent advantages. Moreover, such advantages induce households to purchase more costly homes over time.

Owners of rental property also derive substantial tax advantages from their housing investment in addition to earnings from the difference between rents and expenses. First, all expenses that contribute to a landlord's income (property taxes, mortgage interest payments, and maintenance costs) are tax deductible. Secondly (for income tax purposes) rental property theoretically depreciates in value over time. An investor is thus entitled to deduct part of the property's value each year.

The role of housing as an investment has declined, at least temporarily, since the recession which began in 1990. Nationwide housing has been hit very hard with prices falling dramatically

and/or units remaining unsold. Billions of dollars in equity and potential profits have been lost for those who bought or built units when prices were near their peak.

4. Second homes

Although the actual number of vacant housing units in the county is probably sufficient to satisfy demand, not all are actually available for rent or sale, and many are located at excessive distances from employment centers. The 1990 census shows an overall vacancy rate countywide of 10.9%. Of these, 2.2% were vacant for rent, 1.5% vacant for sale and 4.6% for seasonal, recreational or occasional use. Many of these vacant units are in coastal communities such as Cambria and Cayucos or resort areas such as Lake Nacimiento.

According to the census, 42% of the vacant units countywide in 1990 could be considered second homes. While such homes have positive attributes (They generate property taxes in excess of the public services they require.), they can have a negative effect on the housing market if the homes were originally part of the rental or ownership stock and were converted to second home use.

5. New county arrivals

San Luis Obispo County's favorable environment, life style, recreational opportunities and location convenient to the Los Angeles, San Francisco and San Joaquin Valley population centers have resulted in immigrations which contributed 90 percent of the population growth since 1970. Between 1970 and 1980, more than half were from Southern California, primarily Los Angeles County. Many newer residents are leaving areas with higher median incomes and real estate values, and are arriving with substantial equity from a previous home sale. They are able to pay more for housing than many county residents and are adding to housing demand and cost inflation. Between 1980 and 1990, 84% of the growth in the county was from migration.

6. Young families

The formation of new households adds to the need for housing units. Most of the units built in the county, however, are priced too high for typical first-time buyers to purchase. These families continue to rent much longer than they would have 10-20 years ago while trying to save money for homeownership. As a result, many first-time buyers are now in their thirties or older before homeownership becomes a reality.

7. Decreasing household size

Between 1981 and 1990 the unincorporated county average household size ranged from 2.65 to 2.67 persons per household. By 1992, the average household size had decreased slightly to 2.64 persons per household. Trends in household size are significant because they reflect such changes in population characteristics as:

- a. Families with fewer children.
- b. More young adults living on their own.
- c. A rising median marriage age.
- d. An increasing divorce rate with more residents choosing to live alone.
- e. An increasing proportion of elderly persons.

Household size also differs markedly between communities. Among the factors are the high cost of available housing, which may cause a family to move outside the area of their choice; an inadequate range of housing unit sizes in a community; demographic makeup, such as family size and proportion of student population; and the age structure of a community. Larger than average size households can be found in Nipomo (3.13), Oceano (2.88) and San Miguel (2.84) while communities such as Cambria (2.25) and Cayucos (2.16) have smaller households.

The following chart illustrates the trend in household size since 1960. Since 1980 there has been a slight increase in 4 person and larger households and a decrease in 1, 2 and 3 person households.

HOUSEHOLD SIZE

HOUSEHOLD SIZE	1960	1970	1980	1990
1 Person	16.3%	18.2%	22.8%	21.3%
2 persons	33.2%	36.4%	39.2%	39.0%
3 persons	15.5%	13.9%	15.9%	15.6%
4 persons	14.9%	13.0%	13.4%	13.9%
5 persons	10.2%	8.7%	5.5%	6.0%
6 persons or larger	9.9%	9.8%	3.2%	4.2%
Total	100%	100%	100%	100%

Source: 1990 Census

Changing population characteristics combined with increasing housing costs, smaller households and different life styles suggest the need for a wider variety of housing types. Alternative types of housing are needed for single adults, young married couples, middle-aged couples no longer wanting a single-family home, and elderly persons no longer able to afford nor maintain a single-family home. Alternatives are also needed for large families who cannot afford to purchase or rent a larger single family dwelling.

8. Need for self-help housing programs

Most individuals no longer build their own housing but rely on professional builders. While most of the world's housing is still constructed by its occupants (with the exception of the industrialized nations), in the United States professional builders, construction trade unions, the media, government building regulations and the complexity of the contemporary house itself have conditioned consumers to expect "turn-key housing", where they simply sign the papers and move into a finished product.

Migration from cities to rural areas and increasing housing prices are responsible for a renaissance in owner-built homes. Owner/builders represent every occupation and social group but often have in common a dissatisfaction with the choices offered by the housing market. Such dissatisfaction is primarily centered around several factors:

- a. The cost of buying or renting housing.
- b. The inability of mass-produced housing to satisfy individual family living space and lifestyle needs.
- c. Desire to be active in providing their own shelter.

In addition to the building professions, federal, state and local governments are concerned with promoting lower cost housing, yet they generally ignore the benefits of owner-built housing. Minimizing the profit element, reducing labor costs, and building smaller, more efficient structures can lower housing costs significantly.

Unfortunately, most lenders discourage owner/builders by requiring use of a building contractor. Housing design is also affected because lenders are less likely to approve a loan on a home that, in their opinion, would appeal to a more narrow resale market.

Peoples Self-Help Housing Corporation is the only known organization in San Luis Obispo County that will assist low- and moderate-income families in building affordable housing. Since 1970, the corporation has assisted 259 families in San Luis Obispo County build their own homes. Another 98 units are under construction and approximately 3,000 families are currently on its waiting list. Lack of affordable land, high development costs and availability of financing limit the program's effectiveness.

9. Availability of public facilities and services necessary for new development

Housing requires a variety of services and facilities from local government, including police and fire protection, schools, libraries, parks, streets, sewage disposal and water supply. Provision of such services and facilities is dependent upon available financial and natural resources.

Financial resources to maintain such government services are becoming scarce because of inflation and tax limitations. Natural resources, particularly water, are in short supply. Some areas of the county have experienced, or are now experiencing, building restrictions or waiting

lists due to water or wastewater treatment facility deficiencies (most notably Nipomo, Los Osos, San Simeon, Cambria, and Cayucos).

10. Need for coordination among providers of housing services

Numerous housing-related services and activities are performed or supplied by a variety of agencies and organizations within the county. Nearly all social service agencies, many churches, private non-profit groups, eight city and county planning departments, and a variety of state and federal agencies deal with some aspects of housing. Residents often express frustration about not knowing who does what, for whom, and where. A centralized source of housing information could serve to identify the many options and services available to residents.

11. Housing grants and programs

Over the past several years, the county has been very successful with the state Community Development Block Grant program. Projects have included housing rehabilitation, purchase of units and land acquisition for single family residential development. The county has also received three grants for planning studies through the Community Development Block Grant program. These include grants for a farmworker housing study, a mobilehome park conversion study and an affordable housing strategy study. The county has also participated in the state Mobilehome Park Purchase program to assist park residents with acquisition of their parks. Recently, a new federal program called the Home Investment Partnership (HOME) program has been funded. This program has good potential for use in the county and we have applied for funds under the 1992 cycle.

12. Least-cost, "no frills" housing

Least-cost housing is efficient and cheaper to build because it is smaller and does not contain some of the more costly amenities such as air conditioning, multiple bathrooms, complete carpeting, large garages, extra bedrooms, or large lots. Least-cost housing is usually provided by builders who also employ cost-saving production methods such as the repetitive use of one or two plans for an entire project.

Relatively little least-cost housing is available in the county. A developer can upgrade a residence with relatively little extra effort and receive a substantial additional profit. As long as demand is strong, it is in the developer's interest to maximize amenities in the project. Even though many county residents cannot afford higher-priced homes, new residents with more purchasing power will buy them. As long as expensive homes are being purchased, there is little incentive to build least cost housing.

Another possible reason for limited least-cost housing is that most consumers have not been willing to become involved in the housing production process. Most least-cost housing is not "turn-key." Consumers cannot simply move in as in conventional subdivisions. Usually they

are responsible for purchasing land, arranging for financing and construction and possibly finishing the house themselves, using their own labor.

As fewer people are able to afford to pay others to supply their homes, they will be forced to become more directly involved in reducing costs. Besides the obvious savings from using one's own time and energy instead of paying someone else, significant savings may result when consumers make the decisions affecting the cost of units. When consumers know the cost of adding an extra bedroom, trash compactor or enclosed garage, they will be better able to decide if those items are necessary or economically attractive.

13. Effects of energy inefficiency and increasing utility costs

High home prices, rents and uncertain mortgage interest rates may not be the only deterrents to affordable housing in the future. Increasing energy costs are further reducing housing affordability.

According to the California Energy Commission, average residential electricity and natural gas bills increased significantly between 1988 and 1991. Based on information provided in Pacific Gas and Electric Company's annual report (1991) electricity bills increased 31.8% while average household consumption decreased 1.8%.

Natural gas bills increased 21.8% between 1988 and 1991 while average household consumption was unchanged.

Although the energy future is uncertain, it is likely sooner or later everyone will be affected by higher energy costs, particularly those with low and fixed incomes. Many of these people are already stretched to their financial limits and are least able to absorb any increase.

14. High rent

Rents in the county are increasing, but at a slower rate than the costs of ownership housing. According to the 1990 census, rents have increased approximately 100% since 1980. In 1980, the median contract rent was \$251 while in 1990 it had risen to \$510 per month. Homeowners' monthly payments are relatively fixed, while rents increase with inflation or sale of the rental property. Many renters are low-income households, representing a disproportionate share of large families, single-parent households with children, the elderly, farm workers, ethnic and racial minorities.

Countywide, 20 percent of all families have incomes less than \$20,000 per year. Using \$20,000 as the annual income and allowing a maximum of 25 percent of income for housing, the maximum affordable rent would be \$416. Only the community of San Miguel, with a median rent of \$357, is affordable to these families.

15. Supply of new rental units

Between July 1985 and July 1992, only 3.9 percent of the residential building permits issued for the unincorporated area of the county were for multiple-family units. While not all rental units are part of multiple-family structures, fewer single-family homes are used as rental units because high purchase prices require more rent than the units can command. High construction costs also affect new multiple-family structures. Because rent increases have generally not accompanied rapidly inflating development costs, financing for new multiple-family units is scarce. Many lending institutions consider new multiple family rental units to be poor investments and will not make loans unless the developer contributes a large amount of capital to the project.

16. Rent increases as rental units are sold

Rental units are generally sold less often than owner-occupied units, so effects of inflation and higher mortgage interest rates are not quickly reflected in the rental rates. When rental units are sold, however, rent increases can be significant. Rent increases can result from factors such as a high price paid by the new owner, higher taxes as a result of reassessment under proposition 13 and increased maintenance costs as the units age.

Market conditions over the past 5 years have resulted in significant price increases for many rental properties. Although mortgage interest rates have declined in recent years, high purchase prices and increasing operating expenses often result in negative cash flow (expenses exceed rental income) for the new owner. Rents are raised (often dramatically) and the new owner may later resell at an even higher price, resulting in a cycle of increased rents to pay increased mortgage payments.

17. Availability of efficiency and one-bedroom units

Efficiency and one-bedroom units are especially attractive to the elderly, students, and single persons. This need is particularly difficult to satisfy because most developers would prefer to provide average-sized rather than small units to serve the widest possible market. Present county standards allow the same number of units in a project regardless of the number of bedrooms per unit.

18. Conversion of apartment units and mobilehome parks to condominiums or cooperatives

While condominiums and cooperatives are both forms of joint ownership of multiple-unit housing, they have basic differences. In a condominium (often called an "air space" condominium), the resident owns only the interior of the unit, with undivided ownership interest (together with other unit owners) in the building, the land and all other common property. A cooperative resident does not own the unit but instead owns shares in the cooperative association

(a legal entity like a corporation that owns the entire property), together with the right to occupy a specific unit. In effect, the resident "rents" the apartment from the "corporation" that owns it (of which the resident is part).

Some forms of cooperative ownership control the resale of units to eliminate speculative gain. In a limited equity cooperative, the mortgage is retained for its life by a nonprofit corporation and ownership is transferred through the selling and repurchase of nominally-priced shares. Cooperative members are thus not influenced by increasing costs of mortgages and credit. Monthly payments reflect only changes in actual costs. Because this type of cooperative allows prices to be lower than market rates for equivalent units, it can provide housing for people not served by the traditional market.

Conversions of both multi-family units and mobilehome parks to condominium ownership can have an impact on the rental market. Conversions frequently result in a loss of rental units unless the market for rentals is strong and new units are being built. Residents who cannot afford to purchase the converted units may be faced with moving or with increased rents.

Unlike many areas of California and some incorporated cities in San Luis Obispo County, few conversions of apartments to condominiums have occurred in the unincorporated areas. While the lack of conversions may reflect a smaller market for condominium and cooperative forms of ownership in the predominately rural unincorporated county (people generally move to rural areas for "elbow room"), this situation could change as housing prices and demands for ownership increase.

19. Need for county housing authority

An active housing authority has not existed in the county since 1969. Residents of unincorporated areas are currently served by the San Luis Obispo City Housing Authority, whose services are specified by a joint powers agreement between the city and county, and are limited to the federal Section 8 rental assistance programs. Currently, approximately 234 unincorporated county households receive benefits under the program.

Housing authorities were created by the 1937 Housing Act, which provides federal aid to state agencies for low-income housing programs. The scope and function of housing authorities have changed considerably since 1937; new roles were created by the Housing and Community Development Act of 1974 and recent state legislation. There has been a general shift away from conventional large-scale housing projects (that often had negative effects on their occupants as well as the communities in which the projects were located). Housing authorities are becoming increasingly involved in construction of small, decentralized developments. They are also expanding their activities beyond ownership and management of subsidized housing to include residential rehabilitation and maintenance programs, housing advisory and referral services, leased housing, and a variety of coordinative functions.

20. Impact of Cal Poly students on housing stock

Approximately 16,450 students were enrolled in Cal Poly during the 1992 winter quarter. Approximately 15.9 percent resided on campus and the remaining 84.1 percent off campus. According to information provided by Cal Poly's office of institutional research, 70.8 percent of the students living off campus resided in the city of San Luis Obispo. The remaining 29.2 percent lived elsewhere in San Luis Obispo County and northern Santa Barbara County. The following table shows the residential distribution of Cal Poly students in the winter quarter of 1992:

Total number of students (16,450)			
Location	Percent	Location	Percent
San Luis Obispo (City)	59.6	Morro Bay	1.3
Campus	15.9	Nipomo	.5
Los Osos/Baywood	2.3	Oceano	.2
Arroyo Grande	1.2	Paso Robles	.8
Atascadero	1.5	Pismo Beach	.9
Avila Beach	.1	Santa Margarita	.3
Cambria	.2	Templeton	.2
Cayucos	.4	Other (County)	12
Grover City	.6	Santa Barbara (County)	2

Source: Cal Poly Office of Institutional Research

Since 1980, more students have chosen to live off campus. The large number of students living off campus increases competition for available units. This is especially true for larger single family dwellings that families might otherwise occupy. Recent studies show that students, like many other individuals, prefer to live in detached single family dwellings. Students are often willing to live together and by doing so can pay higher rents than many families.

In the city of San Luis Obispo (where most students live) competition for rental units is likely responsible for a higher median contract rent (\$546) compared with the countywide median contract rent of (\$510). Competition in a rental market with low vacancy rates usually results in rent increases.

21. Availability of mobilehome spaces

The rising cost of traditional home ownership has been responsible for a significant increase in the popularity of mobilehomes, which currently comprise approximately 17 percent of the unincorporated county's housing stock. About 42% of the mobilehomes in the unincorporated county are in mobilehome parks.

The county's 1990 mobilehome park study revealed that the average rent charged for a space in a mobilehome park in the unincorporated area was \$263.73. This space rent is considered affordable to households in the very low income group assuming that payments are not being made on the unit itself.

The survey also revealed a severe shortage of mobilehome park spaces available for rent in the unincorporated area of the county. At the time the survey was completed, two spaces were available for singlewide and no spaces available for doublewide units.

22. Competition for rental units

The 1990 census indicates that a shortage of rental units, affordable to very low income households, exists in the unincorporated areas of the county. This shortage forces very low income households to compete with low and/or higher income households for rental housing. The following table shows the approximate number of rental units available that are affordable to the highest wage earners in the very low and low income groups using 25% and 30% as guidelines for maximum percentage of income to be spent for housing.

Income group	Households	Number of units available at 25 %	Number of units available at 30 %
Very low	6590	1867	2534
Low	4611	3957	5578

Source: 1990 Census

While it's true that some households in the very low and low income groups own their residences, these income groups are generally the ones most likely to be renters.

23. Low vacancy rate

According to the 1990 census, the vacancy rate for rental units in the unincorporated area was approximately 2.1 percent, while three percent is the rate needed to assure a balance between adequate choice and availability of rental housing. A low vacancy rate limits housing choice. Demand for housing exceeds supply, resulting in increased rental rates.

Families with children, large families, seniors, single people, and the handicapped have special difficulty finding housing when vacancy rates are low because only a fraction of vacant units are available to them.

24. Disputes between landlords and tenants

Statistics on the number, type and frequency of disputes are practically non-existent because many agencies receiving reports do not keep records of the calls. The District Attorney's Office receives some calls concerning repair and maintenance and return of security deposits. Unless the action involves a criminal matter, however, the district attorney has no jurisdiction and callers are referred to private attorneys or California Rural Legal Assistance (CRLA).

CRLA handles many complaints involving landlord/tenant disputes. They focus primarily on providing information and assistance to people who cannot afford private attorneys. They do, however, occasionally receive complaints from higher income renters.

Situations involving evictions sometimes end up in civil court. In 1992, 884 cases were filed involving evictions of tenants.

The county Economic Opportunity Commission refers calls on landlord/tenant disputes to CRLA.

Most landlord and tenant complaints received by agencies in the county involve:

- a. Landlord difficulties in evicting tenants for non-payment of rent, destruction of property, and violation of rent or lease agreements.
- b. Failure of landlords to maintain or repair rental units.
- c. Termination of utilities by landlords.
- d. Tenants unable to reclaim cleaning or security deposits.
- e. Lack of knowledge about landlord/tenant rights and obligations implied or stated in rental agreements.
- f. Eviction without reasonable cause.
- g. Other complaints, such as unreasonable entry, noise and pets.

Landlords and tenants in the unincorporated county currently have two choices in resolving disputes: voluntary compromise and legal proceedings. Voluntary compromise probably resolves some disputes, although the county's low vacancy rate, especially for lower cost units, and increasing competition for few available units offers little incentive for such resolution.

Where disputes cannot be worked out voluntarily, no alternative currently exists short of the judicial system. Cases can go to small claims court or municipal court, depending on the type of action and amount of damages involved. The process is often complex and always costly. Such costs can also be passed on to county residents because of the increasing number of tenant and landlord disputes that must be handled by the judicial system.

State law now allows counties to earmark up to \$8.00 of the filing fee for civil cases to establish an Alternative Dispute Resolution Program. This purpose of this program is to provide assistance to county residents with landlord/tenant disputes. The Board of Supervisors has recently taken action to begin the process of establishing such a program in San Luis Obispo county.

25. Landlord/tenant relations

Tenants have various problems in their dealing with their landlords and have a limited number of ways to deal with these problems. Although renters are within their rights to request maintenance and repairs, many fear their rents would be increased if they did so. Moreover, many financially hard pressed tenants would rather tolerate being ignored, inconvenience, or unsafe conditions than face the possibility of increased rent and the high costs of moving (typically requiring a first and last month's rent and a deposit). Thus, despite the fact a problem represents an infraction of the county's building or health codes, and they are protected by state law from eviction, tenants may be reluctant to report the violation. Other than complaining to building officials, moving or direct court actions, under certain circumstances tenants may withhold rent until a problem is corrected, or spend no more than one month's rent to correct a problem. None of these are desirable to most tenant and landlords.

Landlords have also expressed concern about problems they have with renters. When a renter abuses the unit, the owner seldom can do more than keep the deposit which may not cover the entire expense. Although an owner can take a renter to court for damages, the process is often costly, complex, and time-consuming. There is also the problem of tenants who do not pay their rent, who are habitually late in their payments or who leave with or without the furnishings. These tenants make it unpleasant as well as expensive for the owners to operate rentals. Evicting a renter often takes several months, during which time the tenant often stops paying rent altogether. Some landlords have complained that this makes it necessary for owners to charge higher rents to cover losses and it discourages construction of new rental units.

26. Ethnic and racial minorities

According to the 1990 census, 89.2 percent of the San Luis Obispo County population is white; 2.6 percent is black; 1 percent is American Indian, Eskimo or Aleut; 2.8 percent is Asian; and 4.4 percent belong to other ethnic groups. The census also indicated 13.3 percent Hispanic origin which is not a racial group but is considered a minority group.

The 1990 census also has information on the number of families, by race, who are below the poverty status threshold. The poverty status threshold varies, depending on family size and number of children. According to the 1990 census, approximately 14.9 percent of all county residents were below the poverty level in 1990. This included 13.4 percent of all whites, 40.9 percent of blacks, 22.9 percent of American Indians, Eskimos and Aleuts, 29 percent of Asians and 35.9 percent of other groups.

Many housing problems experienced by minorities result from low income. According to the census, four out of five of the county's minority groups had household incomes well below the county median. This is significant, and suggests that a high percentage probably pay more than they can afford for housing. It also means that they have a difficult time qualifying for home loans and property improvement loans. Low-income households have less money left for home maintenance or improvements. Many low-income families, especially larger ones, are forced to occupy overcrowded and substandard dwelling units.

27. Overpayment

No universal definition of affordability (what proportion of household income should be spent on housing) has been agreed upon. The U.S. Department of Housing and Urban Development (HUD), the California Department of Housing and Community Development (HCD), and many private lending institutions use a guideline that households should spend no more than 25-30 percent of their gross monthly income for housing. Many higher income households, however, can comfortably spend more.

The following tables show both owner and renter expenditures for housing as a percentage of household income. Renter costs include utilities and owner costs include utilities, taxes and insurance. Using figures of 25 and 30 percent as a guide, it becomes apparent that many owner and renter households in the county are overpaying for housing.

Countywide, 41.9 percent of owners pay 25 percent or more of their income for housing and 30.9 percent pay 30 percent or more. For renters, 62 percent pay 25 percent or more and 51 percent pay 30 percent or more of their income for housing. The numbers are even more disturbing for households with incomes less than \$20,000 per year. Thirty percent of all county households are in this income group.

Of the owners with household incomes less than \$20,000 per year, 50.7 percent pay 25 percent or more of their income for housing and 44.9 percent pay 30 percent or more. For renters in this income group, 88.5 percent pay 25 percent or more of their income for housing and 81.8 percent pay 30 percent or more.

SAN LUIS OBISPO COUNTY
OWNER HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME

Household Income	25 % or more of income	30 % or more of income	35 % or more of income	Number of Households
Less than \$10,000	65 %	56 %	53 %	1987
\$10,000-\$19,000	43 %	39 %	34 %	3661
\$20,000-\$34,999	48 %	41 %	33 %	7603
\$35,000-\$49,999	50 %	35 %	23 %	8305
\$50,000 Plus	30 %	17 %	7 %	13,604

Source: 1990 Census

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

Household Income	25 % or more of income	30 % or more of income	35 % or more of income	Number of Households
Less than \$10,000	88 %	83 %	80 %	6404
\$10,000-\$19,000	89 %	81 %	71 %	8196
\$20,000-\$34,999	58 %	36 %	23 %	9274
\$35,000-\$49,900	25 %	11 %	3 %	4315
\$50,000 plus	6 %	.8 %	-	3036

Source: 1990 Census

Overpayment problems are often experienced by the elderly, the handicapped, farm workers, large families and female-headed households. The housing problems of these special needs groups are discussed individually in this chapter.

Although higher-income households can spend in excess of 30 percent of their gross income for rent, lower income families cannot without minimizing necessities such as food, clothing, transportation and medical services. Lower-income households are those that make 80 percent or less of the county median.

28. Overcrowding

Many public health officials agree that overcrowding is the major housing characteristic that influences health. Overcrowding can affect physical health (e.g., increases in respiratory infections, childhood diseases, injuries in the home, fatigue and lack of sleep) and psychological health (e.g., self perception, sense of individuality, stress, intrafamily friction).

Officials, however, disagree on methods of measuring overcrowding. A variety of methods have been used: number of square feet per person, number of people per room, number of people per number of bedrooms, and use crowding (space versus family needs, customs, etc.). The use crowding method is not yet widely used, but it appears to be a more effective indicator of overcrowding because it takes into account space and family needs at the same time. A numerical space measure, on the other hand, assumes that all families live the same way.

Most governmental entities, including San Luis Obispo County, receive overcrowding information from the U.S. Census Bureau, which uses a numerical space measure of more than one person per room (total number of rooms divided by the number of persons occupying the unit). This method overstates the problem because it does not consider individual household space needs or preferences due to choice or custom.

According to the U.S. Census Bureau, overcrowding has increased in recent years. Between 1960 and 1970, the number of overcrowded unincorporated county households decreased from 14.6 percent to 10.2. By 1980, the percentage of overcrowded households dropped from 10.2 to 5.6 percent. Between 1980 and 1990, the percentage of overcrowded households in the unincorporated area increased from 5.6 percent to 6.5 percent. A more dramatic difference is seen in the percentage change in numbers of overcrowded units in the incorporated cities. In 1980, the average percentage of overcrowded units for all cities was 3.4%. In 1990, the percentage had risen to 6.2%.

The reasons for the increases in overcrowding are related to the growth the county experienced in the 1980's and the high housing costs that accompanied this growth. Between 1980 and 1990, the population in the county increased 39.6%. During this same period, the unincorporated areas of the county experienced a 47% increase in population. Meanwhile, the average value of single family units countywide increased 270% and rents more than doubled between 1980 and 1990.

A large portion of the county's growth in the 1980's was the result of migration. Many of the new residents arrived with substantial amounts of cash from previous home sales in other areas. With this financial edge, they were able to bid up the price of new and existing homes beyond

the reach of many long time residents who had not yet entered the housing market. When home purchase became out of reach for many individuals and families, rental was the only option. Rents began to increase as demand for rental units increased.

During this period the demand for large expensive single family residences was high and developers concentrated on this more lucrative market at the expense of the multi-family market. As a result, newcomers and longer term county residents without large amounts of capital or high paying jobs were forced into older and usually smaller units.

Overcrowding is a serious problem for those experiencing it, especially large families. Since overcrowding is much more common among large families, the percentage of persons who live in overcrowded housing is higher than it is for households. Programs that stress affordable housing and self-help housing rehabilitation and room additions can reduce existing overcrowding problems.

29. Need for housing rehabilitation and preservation programs

New housing construction is necessary to supply needed housing but adds only three to four percent to the existing housing stock each year. Because of this, existing housing must be preserved and, where necessary, rehabilitated.

Older housing often serves as an affordable housing resource for lower income households. Because very little lower income housing is presently being built, it is more important that older housing be kept in repair.

The lengthy process of housing deterioration and decline begins as soon as a housing unit is constructed. Once housing deteriorates past the point that rehabilitation is economically feasible, little can be done short of site clearance and replacement. In addition to loss of housing, the process can result in high monetary and social costs due to displacement of residents and disruption of social networks and cultural traditions.

Housing deteriorates to the point of needing preservation or rehabilitation primarily because of lack of maintenance and necessary repairs. However, it is not enough to identify the existence and level of housing deterioration. The reasons for the lack of housing maintenance and repair must be sought. Explanations differ from community to community and often from house to house. Some possible reasons are: inadequate household income; inability to perform maintenance and repair activities due to resident's age, disability, or lack of "know-how"; future development that may make an area less desirable; lenders' reluctance to make loans in certain areas (commonly referred to as "red-lining"); loss of community or village economic base; proximity to incompatible land uses or obnoxious activities; speculation; poor quality construction; lack of adequate public services; and a variety of other public and private considerations.

The need for preservation or rehabilitation depends primarily on a structure's physical condition. The possibility of preservation or rehabilitation depends on a participant's ability to pay and the

type of programs available. It is important to realize that many property owners cannot afford or are unwilling to participate in preservation or rehabilitation programs.

Rehabilitating or substantially improving a home can increase the cost of housing for low- and fixed-income households. The costs of repairs and improvements on rental structures are often passed on to tenants in the form of higher rent and the current property tax system provides no incentives for property maintenance. Homeowners may pay higher property taxes because of increased assessed valuation due to improvements. Any proposed program should address these potential problems.

The county has completed housing rehabilitation programs in the following communities with Community Development Block Grant funds: Oceano, Callender/Garrett Village, Creston, Garden Farms, San Lawrence Terrace, San Miguel, Santa Margarita, Shandon, Templeton and Whitley Gardens. The county also received block grant funds for the construction of several simple residences called "Hogans" in the Red Wind Native America Community. These programs involved low interest deferred payment loans to eligible homeowners to make needed repairs to their units. The programs resulted in a substantial number of units being rehabilitated.

A housing condition survey conducted in 1992 examined exterior conditions of approximately 60 percent (20,015) of the unincorporated county's 33,349 single-family residences, multiple-family dwellings, and mobilehomes outside of parks. It found that 99.02 percent of surveyed units were sound, .96 percent had minor to substantial deterioration and .02 percent were dilapidated.

Since 1979, there has been a 69.8 percent increase in housing units with fewer deteriorated or dilapidated units encountered. This is partly the result of the county's rehabilitation programs and partly the result of the rapid increase in property values that occurred over the last thirteen years. As property values increased, many older units were repaired or replaced with newer units.

Although progress has been made, some communities have a relatively high number of deteriorating units. At least 10 percent of the housing units are deteriorating in the communities of San Miguel and California Valley. The level of deterioration varies, however, most units can be rehabilitated. Unless rehabilitated, these units will become dilapidated and eventually lost as a housing resource.

Peoples Self-Help Housing Corporation is the only organization in the county with ongoing rehabilitation and preservation programs. Increases in funding would certainly help this and similar future programs improve the housing stock.

30. Substandard housing

Both public agencies and nonprofit organizations receive complaints about substandard housing. Complaints usually involve violations of the Building Code, Land Use Ordinance or Health and

Safety Code and are referred to the Planning or Health Departments. Because of staffing limitations, violations are currently handled on a complaint basis only. Complaints range from a lack of building maintenance or lack of plumbing and sanitary facilities, to families occupying structures or objects not suitable for housing, such as chicken coops, boxcars, automobiles and truck bodies.

Unless neighbors or occupants complain, most substandard housing conditions remain undetected. Occupants are usually reluctant to complain to authorities until they move out. The cost of moving is high and the county's vacancy rate, especially for low-rent housing, is very low. Little eviction protection exists for tenants who report violations. Protection from retaliatory eviction is currently only 120 days. Even if tenants are not evicted, the cost of conforming the building to code standards may be passed on as higher rent.

31. Loss of existing housing units

Housing units can be lost to structural deterioration, functional or economic obsolescence, fire or other disasters, conversion or change of use, or public acquisition for streets, highways or other public facilities and improvements. Most units demolished because of deterioration, obsolescence or disaster are eventually rebuilt; however, few units lost to conversion, change of use or public acquisition are ever replaced. Because conversion of housing to other uses and public projects requiring demolition often affect older areas, the impact on affordable housing can be significant.

If habitable housing units are converted or demolished and not replaced, pressure increases on the remainder of the housing supply to satisfy demand. Often a valuable, affordable housing resource is lost in the process. Although state and federal relocation acts require public agencies to assist those displaced through public action, the housing units are seldom replaced.

The county has never experienced the amount of public and private housing removal activity typical in large metropolitan areas. Although most projects involve a small number of units, the cumulative effects of small removal projects over an extended period of time can negatively affect the county's housing stock and its ability to satisfy the need for affordable housing.

32. Persons displaced by public action

The hardships imposed upon individuals and families who are displaced from their homes as a result of public action have been well-documented by social scientists. Such hardships range from the disruption of home and community life to the added financial burdens of higher housing costs incurred after relocating. Low and very-low income persons are particularly affected because they are least able to absorb additional expenses in today's inflating housing market. The private housing market in California is not able to produce enough housing for families with low or very-low or moderate incomes.

The elderly, handicapped and disabled often experience unique relocation problems due to physical, emotional or financial burdens. Studies have indicated that a high percentage of displaced elderly persons do not survive the often traumatic effects of relocation. Handicapped or disabled persons may experience setbacks or reversals of physical therapy and rehabilitation.

The federal Uniform Relocation Assistance and Real Property Policies Act of 1970 and the 1976 California Relocation Act require that relocation assistance be made available to persons displaced for public purposes. The acts require that no person shall be required to move unless affordable, decent, safe and sanitary replacement is available, which is not generally less desirable with regard to public utilities and public and commercial facilities than the home from which he or she is moving. Assistance consists of rental supplements for tenants and home purchase supplements for homeowners, moving expenses, relocation counseling and assistance in searching for a replacement dwelling.

33. Discrimination in the sale and rental of housing based on sex, race, religion and other arbitrary factors

Even if an adequate number of affordable dwelling units existed in the county, evidence suggests that some of that housing would not be accessible to all residents. Although federal and state laws have prohibited arbitrary discrimination for reasons of race, religion, national origin, ancestry, color, sex, or marital status for some time, the practice still exists to some degree, although in less overt forms than in the past. Housing has not always been treated as a consumer good offered for sale to the general public.

It is difficult to assess the severity of discrimination problems since many occurrences may not be reported. Occurrences that are reported go to agencies such as the county District Attorney's Office and California Rural Legal Assistance Office. Records on occurrences are not complete enough to estimate numbers.

34. Perceptions of low and moderate income

Too often a negative connotation is attached to the term "low- and moderate-income." As a result, support for low- and moderate income housing programs has been less than enthusiastic. By definition, households with incomes less than 120 percent of the median county income, which in 1990 was \$41,050, have a low- or moderate-income. According to 1990 census information, approximately 63 percent of the county's households have incomes that are moderate or below.

35. Housing near employment and services

The city of San Luis Obispo is the county's major employment and service center. According to the 1992 Regional Profile, San Luis Obispo has a greater number of businesses employing

10 or more people than any other section of the county. Thirty-nine percent of the businesses, countywide, employing 10 or more persons, are located in or near the city of San Luis Obispo.

The city of San Luis Obispo's 1992 draft Housing Element states that approximately 40 percent of the city's work force commutes from outlying communities. Part of the reason for this is the high cost of housing in the city of San Luis Obispo. According to the 1990 census, housing values in San Luis Obispo are 21% higher than Atascadero, 15% higher than Los Osos, 55% higher than Paso Robles and 40% higher than Grover City. Rental costs are also higher in San Luis Obispo although the differences are not as great.

Due to a combination of growth management and resource constraints, the city of San Luis Obispo has a very low growth rate. This tends to keep housing cost high and makes development of lower cost housing extremely difficult. Meanwhile, growth inducing decisions by other government authorities have combined to exacerbate the City's housing problems. Commuting from outlying communities becomes the only alternative for many workers who might prefer to live in San Luis Obispo.

36. Need for compatible "mixed-use" development

Opportunities for mixing residential, commercial, professional and government uses are not always utilized. Apartments over shops, professional offices, government buildings and parking structures can offer excellent opportunities for "mixed-use" development. In addition to promoting an active, lively environment, the mixing of residential and business uses can give many people, including the elderly, students and single persons the option of living without an automobile since the units can be located close to services and employment. The county is currently working on a Planned Development ordinance that will address mixed use development.

37. Need for efficient land use patterns and staged growth

Although the county Land Use Element (LUE) has allocated extensive areas within urban and village reserve lines for new houses, inefficient development presents a serious obstacle to achieving planned densities and thus the adequate housing supply envisioned in the LUE. Frequently, areas planned for single-family homes at a density of five to seven units per acre are divided and sold as "suburban" lots of 2 acres or larger. This type of "premature" land division is usually in response to a lack of community services in the area (water, sewer, roads, etc.) and the high cost to the developer of extending such services, and an immediate market for larger parcels. As a result, some areas that could accommodate many new houses are "underdeveloped" at low densities, without proper planning of homesites to anticipate later additional division of the property and accompanying new roads, utilities, drainage facilities and lot lines. The county has begun to address this problem through "specific plans" which have been prepared for some areas of the county.

Special Needs

38. Handicapped persons

Information on the number of handicapped and disabled persons within the county is inadequate to identify their housing problems and needs. According to the 1990 census, 9.4 percent of the county's civilian noninstitutionalized population over 16 years of age have one or more of the following: work disability, mobility limitation or self-care limitation.

Handicapped residents are faced with physical and attitudinal barriers. Physical barriers in the form of inaccessible and unusable dwelling units are created and perpetuated by attitudinal barriers. People who are not handicapped misunderstand, ignore, or are unaware of the needs of the handicapped.

Inaccessibility of dwelling units creates serious problems. Physically handicapped persons often find themselves in a situation where an owner or landlord would gladly accommodate them, but the home or apartment is not accessible to a person in a wheelchair or persons with other mobility handicaps. Unless costly alterations are made to stairs, doorways, kitchens, closets and bathrooms, many existing dwelling units cannot be fully used by handicapped people. Inaccessibility creates a situation where the handicapped are forced to compete for housing in a very limited sector of the county's housing market.

The Department of Housing and Community Development Division of Community Affairs administers the federally funded After care Housing Program, which provides Section 8 rent-supplement assistance to mentally and physically handicapped outpatients who are otherwise unable to afford adequate housing. As is the case with other rent supplement programs, demand for assistance exceeds the supply of financial resources. The city of San Luis Obispo's Housing Authority administers the program at the local level for residents of the city of San Luis Obispo and the unincorporated county. Currently, 313 handicapped and disabled county residents receive program benefits.

39. The elderly

The elderly (age 62 and above) portion of the unincorporated county's population is increasing numerically but declining as a percentage of total population. Between April 1970 and April 1980, the percentage of seniors increased from 11.5 percent to 16 percent of unincorporated county population. According to the 1990 census, the percentage of elderly in the unincorporated area declined slightly to 15.8 percent. The communities of Nipomo, Cambria and Cayucos contain a higher than average number of senior citizens in comparison to the remainder of the unincorporated areas.

In 1990, 13 percent of the unincorporated county's population was over age 65, and 24.8 percent of householders were in that category. The average household size among the elderly is lower than that of the general population. The usual size of an elderly household is one or two persons. It is not uncommon for seniors to live alone after the death of a spouse.

Many elderly persons have low or fixed incomes. (It is impossible to determine from census data how many elderly are poor. Many have assets such as real estate, stocks, bonds or other investments which can be used in times of need.) The following table illustrates income by age and is based on information from the 1990 census.

HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER

Income	15-24	25-34	35-44	45-54	55-64	65+
\$0-\$4,999	995	523	418	262	343	741
\$5,000-\$9,999	1002	1007	773	387	736	2722
\$10,000-\$14,999	1222	1346	1120	526	708	2323
\$15,000-\$24,999	1829	2943	2493	1199	1651	4333
\$25,000-\$34,999	1083	3201	3019	1396	1272	3320
\$35,000-\$49,999	499	3272	4460	1980	1873	2962
\$50,000-\$74,999	229	2569	3929	2506	1646	1571
\$75,000-\$99,999	31	465	1371	1171	685	554
\$100,000+	29	258	1157	852	713	493
Total	6919	15,584	18,740	10,279	9627	19,019

Source: 1990 Census

Approximately 30 percent of the county's elderly (over 65) households have very low incomes. Countywide, approximately 360 elderly households receive federal Section 8 rent supplement assistance. Lack of financial resources intensifies many problems, including housing. Low-cost rental units that fit an elderly person's budget are often deteriorating,

unsafe, or unhealthy. Many are far away from the facilities, services and public transportation that the elderly need.

The 1990 census indicates that 82 percent of the county's elderly households (over 65) own their homes. Some of the housing occupied by the elderly is older and more susceptible to preservation and maintenance problems which some elderly persons may be unable to handle due to physical or financial limitations. This accelerates the housing deterioration process. Elderly homeowners on fixed incomes may find it difficult to cover the expenses of home preservation and maintenance, not to mention rapid increases in utility costs.

Many of the county's elderly are mobilehome residents. According to the 1990 census, about 17 percent of the unincorporated area's housing units are mobilehomes or trailers. The county's 1990 mobilehome park study determined that about 42 percent of these are in mobilehome parks.

Park residents are protected from drastic space-rental increases through the Mobilehome Rent Stabilization Board. State law affords park residents protection from eviction without cause. State law also requires that residents be notified prior to hearings or actions on applications to convert mobilehome parks to other uses, and allows local government to require the applicant to mitigate any adverse impacts due to displacement of park residents.

The following tables, derived from census data, indicate that, to a large extent, elderly householders who own their residences pay significantly less of their income for housing than those who rent.

MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME

% of income	Total	Age of Householder	
		15-64	65+
0-19	16,026	8,692	7,334
20-24	4,146	3,514	632
25-29	3,932	3,306	626
30-34	3,150	2,809	341
35+	7,682	6,404	1,278
Total	34,936	24,725	10,211

Source: 1990 Census

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

% of income	Total	Age of Householder	
		15-64	65+
Less than 20	6,101	5,586	515
20-24	4,164	3,859	305
25-29	3,729	3,295	434
30-34	2,615	2,418	197
35+	13,255	11,590	1,665
Total	29,864	26,748	3,116

Source: 1990 Census

Countywide, of the householders over 65 who own their residences, 78 percent pay less than 25 percent of their income for housing. Of the householders over 65 who rent, 73 percent pay 25 percent or more of their income for housing and 53 percent pay 35 percent or more for housing. This is done at the expense of other life necessities, such as food, clothing, transportation, and in some instances, medical services.

40. Large families

Households of five or more persons make up about 8.5 percent of all households in the county and about 11 percent of all households in the unincorporated area. Countywide, 94 percent of these households are family households and 98 percent are family households in the unincorporated area. The unincorporated communities of Nipomo, San Miguel and Oceano have the highest percentages of large households with 18 percent, 17 percent and 15.8 percent respectively. These communities also have the lowest median household incomes in the unincorporated area.

Large households do not necessarily have high incomes. The areas of the county with the highest percentage of large households also have the lowest median incomes. In recent years, the supply of larger housing units in the unincorporated area has increased dramatically. Many of these units, however, are not affordable to large households in the low or even moderate income ranges. Large families with limited incomes frequently must rent or purchase housing with inadequate space, resulting in overcrowding. (Amended 1989, Resolution 89-228).

Large families with low incomes may be eligible for Section 8 rental assistance payments through the City of San Luis Obispo Housing Authority. They may also be eligible to participate in the Farmers Home Administration's Section 502 new housing construction program through the local nonprofit Peoples' Self-Help Housing Corporation and the Home Investment

Partnership (HOME) program. Where they own or rent homes too small for their needs, minor additions may be possible through the Community Development Block Grant Program. (Amended 1989, Resolution 89-228).

41. Farmworkers

San Luis Obispo is not one of the state's major agricultural employment counties, however, agriculture is a major revenue producing industry for the county. In 1991, gross receipts for agricultural commodities totaled an estimated \$260,597,000.

Many of the county's crops are labor intensive and this has led to a large influx of farmworkers from Mexico and central american countries. Some of these farmworkers live in local communities throughout the year and others work on a seasonal basis and return to Mexico or travel to other parts of the state. Those in this latter group are known as migrant farmworkers. Seasonal farmworkers may also be permanent county residents.

Figures published by the state EDD suggest that employment for all agriculture, which includes forestry and fisheries, will increase 15 percent by 1997. Over the past ten years, revenues have increased substantially in fruit and nut crops, vegetable crops and nursery and seed crops. These crops are all relatively labor intensive and require additional workers.

It is very difficult to determine the exact number of farmworkers in the county. The state Employment Development Department (EDD) compiles some employment information but background information on individual workers is generally not available. Also, highly mobile and undocumented workers are not included in the statistics.

According to the local office of the state EDD, an average of 2,080 county residents were employed as farmworkers in 1989. This included, 560 regular and 1,580 seasonal workers. Seasonal workers are those employed less than 150 days per year. EDD estimates also show a steady increase in farmworker employment since 1980.

In 1989, the county hired a consultant, using a grant from the state Community Development Block Grant (CDBG) program, to study farmworker housing needs in the county. The study disputed the EDD estimates of the county farmworker population. The study produced estimates for farmworkers based on the number of man hours calculated to be needed in the production of an acre of a given crop. In the county's study, the consultant estimated the number of farmworkers at 5,000 and possibly as high as 15,000, if dependents are included.

The housing needs of farmworkers vary depending on their situation. The needs of single migrant workers differ from those with families. Farmworkers who live or intend to live in the county throughout the year have additional needs. These families need permanent housing in communities, close to shopping, schools and other services. Migrant workers with families are in a similar situation as far as need, however, their circumstances make solutions more difficult. Single migrant workers could be offered housing on the farms in bunkhouse style units that

accommodate several workers and are legally constructed to insure that minimum health and safety standards are met.

According to the county study, housing problems exist for many area farmworkers. Some of the most severe problems involved large numbers of workers (15-36) living in one room non-residential structures with very limited facilities. Others included temporary open air and mobilehome camps constructed by homeless migrant workers or by growers attempting to keep their workers from leaving. Lack of adequate sanitary facilities make these camps a health hazard to the occupants.

Less severe, but still a problem, is the overcrowding that exists among farmworkers who are permanent residents. In many instances, especially in the more expensive agricultural areas like the north coast, two or more families will live together in small houses.

For many farmworkers, their relatively low incomes are the biggest factor preventing them from obtaining adequate housing. According to the study conducted for the county, hourly wages vary from about \$4.25 to \$7.20 depending on skill level and tasks being performed. Piece rate wages (based on the number of cartons or bins harvested) can be much higher. This method of payment, however, is not always available. The study found that the average annual income for Nipomo farmworker families was about \$12,500. With an average family size of about 6 persons (according to the study) these families are below the poverty level.

To date, some progress has been made by the county in addressing the housing needs of farmworkers. Pursuant to the recommendations in the farmworker housing study, the county modified its requirements to allow for expedited processing of permits for group quarters for farmworkers on agricultural parcels. These changes allow growers to construct this type of housing relatively quickly with a minimum amount of time spent on permit approval. In addition, the county has used CDBG funds to assist farmworkers with home ownership in a Nipomo subdivision being developed by People's Self Help Housing Corporation.

Funds that could be used to help farmworkers are available from the state CDBG program and Farmworker Housing Grant program. In addition, the federal Home Investment Partnership (HOME) program, currently being administered by the state, has potential for helping with this type of housing. The county will continue to pursue these funding sources when appropriate.

42. Single parents and families with children

According to the 1990 census, there are approximately 45,172 families in the county with children under 18 years of age. Of these, married couple families represented approximately 85 percent (38,442). Single male headed families represented 4.4 percent (2,016) and single female headed families, 10.4 percent (4,714).

Married couple families have the highest incomes and families headed by single females have the lowest. In 1989, the mean income for married couple families with children under 18 was \$50,563. For male headed families the mean income was \$34,755 and for female headed

families it was \$19,470. Approximately 7 percent of married couple families, 18.6 percent of male headed families and 39 percent of female headed families are below the poverty level.

For single parent families, lack of adequate income is one of the biggest factors in obtaining housing, especially families headed by females. Using a figure of 30 percent of gross income for housing, the mean income of female headed families would allow only \$486 for housing. This amount will only rent a studio or small one bedroom apartment in most communities in the county.

43. Homelessness

Currently, county homeless services are centered in the city of San Luis Obispo. These include the Economic Opportunity Commission (EOC) Emergency Shelter and Services Center, the People's Kitchen soup kitchen, the Salvation Army Homeless Outreach and Care Management programs and the EOC San Luis Obispo Ministerial Association winter shelter which operates from December to April. Other parts of the county have food distribution programs and occasionally, overnight shelter.

The county of San Luis Obispo Department of Social Services provides adult protective services, child protective services, food stamps, assistance with Medi Cal and general assistance for the homeless.

A 1990 survey conducted by the county Homeless Services Coordinator found a total of 1,960 homeless and marginally homeless county residents. They represented a crossection of society including single adults, single mothers, families, teenage mothers, veterans, senior citizens, disabled, abuse victims and mentally ill individuals. This is a countywide estimate that include all cities and the unincorporated area. There are no separate estimates for the unincorporated area.

Many of the county homeless are not transients. According to the 1992 Comprehensive Housing Affordability Strategy (CHAS) focusing on the homeless, prepared by the county Department of Social Services, over 70 percent have roots in the county. They were either "born here, have family here or worked here." They often became homeless through a financial emergency and have been unable to recover. Many of the homeless continue to work but lack the funds necessary to move into permanent housing.

The housing problems faced by the homeless are similar to those faced by many county residents with lower incomes. Due to the high cost of housing, a job loss or other financial emergency could put many of these families on the street.

D. CONSTRAINTS ON SOLVING HOUSING PROBLEMS

Before suggesting ways to meet specific housing needs, obstacles that may limit the effectiveness of proposed solutions should be identified and discussed. Such obstacles may be physical, economic, social or governmental. Some are created by local conditions, making local solutions possible; others are created by regional, state or national conditions, thereby limiting the effectiveness of local programs.

Non-Governmental Constraints

Financing, development and land costs

Financing, construction, land, development, overhead and profit are major components of housing production cost. Increases in production cost are often passed on to purchasers. The following table illustrates the changing ratio of individual production cost components for new home construction between 1969 and 1985.

COMPONENTS OF HOUSING IN CALIFORNIA - SELECTED YEARS

Year	1969	1977	1985
Construction	54.6%	46.7%	48%
Land Development	25%	25%	31%
Overhead and Profit	17%	17.5%	15%
Financing	7%	10.8%	6%

Source: California Housing Task Force, February 1979 and California Statewide Housing Plan Update, 1990

Availability of Financing

The development of housing is closely tied to the availability of financing and the interest rate at which the financing is available. Frequently, financing is the single biggest factor in determining the feasibility of a project. Interest rates have been declining in recent years to very attractive levels. Normally, this would be welcomed by developers, however, the recession which began in 1990 has softened the housing market. With large numbers of homes unsold, banks and other lending institutions are reluctant to finance construction of additional units unless the units are pre-sold. In addition, if loans are approved, developers are required to contribute larger amounts of capital up-front.

Financing for housing targeting low or very-low income households is typically provided by loans from the private market and grants or loans from federal and state government programs.

Federal and state programs almost always have many complex requirements that must be met prior to funding. The programs often require direct involvement in the project by a local government jurisdiction and in some cases, the application process is competitive.

Private financing for low and very-low income housing is often very difficult to obtain. Private lenders often cannot afford to keep portfolios of loans and must sell them on the secondary market. To be saleable on the secondary market, the loans must meet stringent requirements that eliminate many projects involving low income housing. To address this problem and to meet their responsibilities under the Community Reinvestment Act, lenders in some areas (including San Luis Obispo county) have formed consortiums to identify local housing needs and to pool resources to address those needs. This approach has been successful for obtaining construction financing for affordable housing projects but long term financing remains a problem.

Financing for moderate and above moderate income housing units is provided by the private market. In some instances, this can also be difficult to obtain. Since 1990, due in part to the recession and a large supply (statewide) of unsold units, lenders have been reluctant to provide long term financing for multi-family housing or speculative single family units without significant equity from the developer.

A discussion of financing raises the issue of whether financial institutions operating in the local market engage in any redlining practices. Redlining is a process by which lenders exclude specific geographic areas based on certain factors. This can be a problem when factors such as income levels in an area or concentrations of certain racial and ethnic groups are used to deny loans. Research of the recent lending records of financial institutions in San Luis Obispo county indicates that financing is available for the purchase, construction and rehabilitation of housing in all areas of the county.

Price of Land

The price of land is a major factor in the development of housing, especially housing for lower income households. Throughout the county, land costs vary substantially. Some of the factors affecting the price of land include: zoning, desirability of the surrounding area, views, proximity to the ocean, availability of services and the amount of nearby vacant land available for development.

According to the 1990 census, the median value of a residence in the county was \$215,000. In the coastal community of Cayucos, the median value was \$280,000 while in the north county community of San Miguel, the median value was \$90,200. Much of the difference in value is due to land cost.

Cost of Construction

Typically, construction costs are the costs associated with constructing the unit itself, although site improvement costs can be included as part of overall construction costs. Construction costs are similar throughout the county, however, circumstances such as steep terrain, soil type, the need for large amounts of grading and type of project can have a significant effect on cost levels.

In urban areas, the county typically requires projects to have community water and sewer connection, underground utilities, curbs, gutters and sidewalks and paved streets. Each of these add to the cost of construction but are necessary for higher density developments.

The following table shows a breakdown of costs associated with a typical project targeted towards lower income households: In this instance, site improvements are part of land development costs.

Development Costs

Land Development (Includes land costs, utilities and road improvements)	\$38,745 (36.9%)
Construction (Includes labor, materials and fees)	\$52,395 (49.9%)
Financing	\$6,825 (6.5%)
Profit*	\$7,035 (6.7%)
Sales Price	\$105,000

Source: Data supplied by a local developer based on a project currently under construction.

* The profit margin for this particular development is quite low on a per unit basis. Most lending institutions require higher profit margins (usually around 15%.)

Physical

Limited natural and manufactured resources can generate physical as well as economic constraints to housing solutions. In recent years, considerable attention has been focused on such natural resource shortages as water and deficiencies in manufactured resources such as sewage, school and road capacities. For example, water supply is a critical limiting factor for new development in the unincorporated coastal communities of Cambria, Cayucos and San Simeon.

If the resource shortage is the result of insufficient delivery systems or facilities, it is usually considered "correctable". Problems involving the limited capacity of a resource itself are more

serious. In either case, resource deficiencies usually require substantial funding to correct, in amounts that can exceed the ability or willingness of local residents to pay. The net result is a never-ending game of "catch-up," where rates of growth and development outstrip the upgrading and renewal of community resources. Since most resources extend beyond political boundaries, cities, special districts and the county must work together to identify their resource capacities and how those resources relate to future growth and development.

In response, San Luis Obispo County developed the Resource Management System (RMS) as a component of the Land Use Element of the General Plan. The resource management system estimates capacity levels for five resources essential to development. They include: water supply, sewage disposal, schools, roads and air quality. The system evaluates the ability of each community and some rural areas to develop within the established capacities for each resource. The purpose of the system is to predict when capacities will be reached so decisions can be made before an emergency situation arises. (A more thorough discussion of the RMS can be found in Chapter 4, Framework for Planning, Part I of the Land Use Element).

Economics

The current recession has had a substantial impact on the economy of the county and the housing market. Cutbacks in state and local government and in the private sector have led to higher than average unemployment. The housing market has slowed down considerably, especially for higher priced residences. Many families have lost homes through foreclosures or have experienced substantial losses through lower sales prices. Banks and other lending institutions have experienced losses also and have tightened up on lending requirements for both individual buyers and developers. As a result, fewer housing units are being constructed.

Social

Population increases, producer and consumer concepts of need, changes in household size and discrimination are some of the social issues that impact housing. Since 1980, a large percentage of the population growth in the county has been the result of migration. Many new residents have migrated from areas with higher housing costs and can frequently pay substantially more for housing than longtime residents.

These new residents have often chosen to build or buy large units. In the unincorporated area, between 1980 and 1990, the average size of new residential units increased from 1600 sqft to about 2700 sq. ft. Housing producers have benefitted because larger units generally have more amenities and result in higher profits. A side effect of this trend is that smaller, lower cost and lower profit, units are unlikely to be built as long as demand is strong for larger units.

Household size has decreased slightly since 1980. This could be the result of a variety of things such as people delaying marriage and families, increases in divorce, greater numbers of retired people locating in the county or people choosing to live alone. Smaller household sizes coupled with population increases mean increased demand for units.

Governmental Constraints

Uncertainty about whether a proposed housing project will be approved by all participating government agencies and how long the process will take can act as a deterrent to building new housing. The cost to a developer of holding property, beginning with site acquisition and ending with occupancy of dwelling units, is an expense generally recovered from purchasers. The longer it takes to develop and sell housing, the more it costs. The "holding period" is often devoted to securing permits from various levels of government, a process that normally involves evaluation of project effects on the circulation system, public facilities and services, and the environment.

If a government review process is needlessly lengthy, increased housing prices and rents or decreased housing production may result. While public review of projects is essential to protect a variety of public interests, the duration of such review should be no longer than necessary to fulfill the mandates of adopted public policy.

If the prospect of being granted a permit in a timely manner is uncertain, developers must consider that uncertainty in cash flow calculations before deciding to undertake development. If uncertainty is high, higher prices will result. If uncertainty is too great, developers may not build at all.

The California Legislature has delegated to local government specific responsibilities and a certain amount of discretionary authority over the development and use of land. Cities and counties influence the location, density, type, number, quality and appearance of housing units in their jurisdiction through land use controls, building codes, development review procedures, requirements, and fees. These actions, in turn, affect the cost and availability of housing not only within their boundaries but in the region as a whole. Government constraints generally may be divided into land use and development controls (such as zoning and subdivision regulations), building codes, fees and other exactions required of developers, site improvement and infrastructure requirements, and development processing and permit approval procedures.

Land Use Controls

Land use and development controls determine the amount, type, and location of housing. The primary control is the general plan. It establishes an overall framework for development and resource conservation in the unincorporated areas of the county, principally through the Land Use Element and its implementing ordinance.

The Land Use Element and Land Use Ordinance contain maps and text which set forth development requirements in the unincorporated areas. Most of the county is rural unincorporated area, zoned for lower residential densities primarily because of public service limitations and the need to protect agricultural land and natural resources. Also, the market system which sets the price of land or housing does not operate in a vacuum. Although necessary for resource protection, low densities have a negative impact on the cost of housing

because of the high land costs. It should be noted that existing residential density is subject to change as part of the General Plan update.

Finally, there are limits to the control or influence government at any level can or should place on the housing market. Because controls have the potential to cause more problems than they solve, controls must be developed and used with restraint. This restraint must be exercised at the federal, state and local levels.

The following table shows typical development standards (including density, open space, setbacks, parking and height) for single family and multi-family land use categories. These standards are similar to those in other jurisdictions and do not place an unnecessary burden on affordable housing projects.

Development Standards

Land Use Category	Density	Open Space	Setbacks	Parking	Height
Residential Single Family	Approx. 6 units per acre	No requirement	Front-25ft Side- 5 ft Rear- 10ft Corner (street side) 10 ft if lot is more than 50 ft wide	2 spaces per dwelling	35 feet
Residential Multi-Family	Low- 15/ac Med- 26/ac High-38/ac	55% 45% 40%	Front- 25ft Side- 5 ft Rear- 10 ft Corner (street side) 10 ft if lot is more than 50 ft wide	1 per one bedroom unit, 1.5 per two bedroom unit, 2 per three or more bedrooms, plus <u>Guest Parking</u> 1 space, plus 1 for each 4 units or fraction thereof beyond the first four	35 feet (45 feet if high density)

Note: Landscaping is required for multi-family projects.

For projects receiving a density bonus to provide affordable housing the county offers some flexibility in required site development standards. For example, front setbacks can be reduced to 18 feet and combined side setbacks may total 10 feet in density bonus projects. For cluster divisions receiving density bonuses, lot coverage may be increased to 70% on the clustered parcels. Additional modifications are also possible through the review process on a case by case basis.

Growth Management

On October 23, 1990, the Board of Supervisors adopted a growth management ordinance for the unincorporated area of the county. While the ordinance limits new dwelling units, it exempts units affordable to low and moderate income households. Under the ordinance, new dwelling units are limited to an amount sufficient to accommodate an annual increase of 2.3% in the number of dwelling units. The number of new dwelling units allowed per year is based on the number of existing county unincorporated housing units, as defined by the most recent annual estimate provided by the state department of finance. The ordinance allows the following exemptions:

1. Proposed new dwelling units for which construction permit applications were on file with the Department of Planning and Building as of July 10, 1990, or applications that were filed pursuant to Ordinance 2462 between July 10, 1990 and the effective date of this title.
2. Proposed new dwelling units which will be affordable housing for persons and families of low or moderate income as defined by California Health and Safety Code Section 50093, with long term affordability guaranteed for a period of 30 years as provided by Section 22.04.094 of the Land Use Ordinance and Section 23.04.094 of the Coastal Zone Land Use Ordinance.
3. Building permit applications for new dwelling units using the rights conferred by a vesting tentative map as provided by Government Code sections 66498.1 et seq. where the vesting tentative map application was filed with the Planning and Building Department on or before July 10, 1990, except where such applications are denied pursuant to any of the provisions of California Government Code section 66498.1.
4. Building permit applications for new dwelling units using the rights conferred by a vesting tentative map as provided by Government Code sections 66498.1 et seq. where the vesting tentative map application was filed with the Planning and Building Department on or before July 10, 1990, and was withdrawn and simultaneously resubmitted one time after July 10, 1990, except where such applications are denied pursuant to any of the provisions of Government Code section 66498.1
5. Construction permit applications for dwelling units located on sites within projects approved for annexation to an Improvement Area within a County Service Area under an annexation agreement entered into within the county prior to July 1, 1989

6. Construction permit applications for labor camps that house agricultural employees, on properties outside of village and urban reserve lines as defined in the county general plan, when authorized as group farm support quarters under Land Use Ordinance section 22.08.034b(6) or Coastal Zone Land Use Ordinance section 23.08.034b(6) and in accordance with the requirements of Health and Safety Code Section 17008.

As discussed in Chapter 3, Section E, the growth management ordinance does not prohibit the county from meeting its housing needs set forth in the adopted Regional Housing Needs Plan.

Subdivision Regulations

Regulations for the design and improvement of subdivisions are contained in the county Real Property Division Ordinance and governed by the State Subdivision Map Act. The purposes of the regulations are to promote public health and safety and "to facilitate the ultimate development of the land in a manner that will be compatible with physical constraints and preservation of natural and scenic attributes." One of the effects of the regulations is to transfer the financial burden of subdivision development from county government to the developer and, ultimately, to future residents of the subdivision.

Building Codes and their Enforcement

San Luis Obispo county building codes are encompassed in the locally adopted Building and Construction Ordinance (Title 19) and the Uniform Building Code (UBC), which is used throughout the state. The primary focus of these regulations is to insure projects are constructed to minimum safety standards for the various components and to insure that adequate water supply and sewage disposal standards are met.

Enforcement of building codes for new structures or alterations to existing structures is the responsibility of the building inspectors. Enforcement of codes in other situations is carried out on a complaint basis. Enforcement actions are undertaken with the immediate emphasis on any health and safety concerns. Voluntary compliance is sought with court action against a landlord or owner as a last resort. Displacement of residents is avoided if at all possible.

Site Improvements

Some level of site improvements are required for virtually all residential development in the county. This can vary from minor leveling of a building pad and installation of a well and private sewage system to major grading of the site and extensive road construction. Site improvements can also include curb, gutter and sidewalk installation, underground utility installation, public water and sewage system connections and paving of access roads.

Requirements for site improvements on residential projects vary depending on project location and size. Single family residential projects on large lots may require only minimal

improvements such as gravel access roads and private water and sewage systems. Higher density single family and multi-family projects require underground utilities, curb, gutters and sidewalks, paved streets and connections to public water and sewage systems.

County requirements are typical of requirements in other jurisdictions throughout the state. Their purpose is to address health and safety issues, access issues, separation of vehicle and pedestrian traffic in higher density areas and to promote orderly development.

Within the county regulations, there may be opportunities to modify some of the site improvement requirements and thus reduce the cost of development. This could have a beneficial impact to affordable housing projects. Some of these opportunities include re-examining the regulations on street widths to see if narrower streets would be appropriate. Also, re-evaluating the requirements on sidewalk widths to determine if reductions could be made without jeopardizing public safety. Changes such as these could result in additional units for a project, thus reducing overall cost per unit.

Fees

New residential development frequently costs more for local government to service than it returns in taxes. This is especially true of lower cost housing because services are the same while taxes are lower due to lower sales prices and fewer amenities. To partially offset the loss in tax revenue, many local governments have had to increase fees on new residential development. These fees, while necessary to local governments, can result in higher housing costs.

Development fees in San Luis Obispo county are not excessive when compared to other neighboring counties. In addition, the county has made special provisions for projects with affordable housing. A program is currently in place to help pay the public facilities fees for affordable units in new subdivisions. The county has also waived a portion of the building permit fees for affordable housing projects involving state and federal grants. Typical fees for subdivisions, parcel maps, site plans, minor use permits and development plans are shown in Appendix A.

Permit Processing

Certain steps in the development process are required by state law rather than local regulation. Among these are:

1. Proposed developments must be found consistent with the adopted open space plan.
2. Tentative and final subdivision maps must be found consistent with the adopted general plan.
3. Building codes must be adopted and enforced.

4. The county must assess the environmental effect of a project in compliance with the California Environmental Quality Act (CEQA), and then determine whether an environmental impact report, a negative declaration with mitigation measures, or a negative declaration is required.
5. The county must meet CEQA specified time requirements for public review and posting of environmental documentation.
6. Projects in the coastal zone must be found consistent with the local coastal plan and in some instances, must be reviewed by the Coastal Commission.

The Permit Streamlining Act (PSA), Government Code, sections 65920 et seq., requires that local jurisdictions reach a final decision on any discretionary permit request within one year for projects requiring a CEQA Environmental Impact Report or six months for projects which are exempt from CEQA or receive a negative declaration. The PSA also requires local government to meet various interim deadlines, from initial application review to approval or disapproval of a project.

State law requires that project decisions be made by a jurisdiction's legislative body. In San Luis Obispo County this body is the Board of Supervisors. The board can adopt ordinances to delegate authority to other review bodies such as the Planning Commission and Subdivision Review Board. In March of 1993, the Board of Supervisors delegated to the Subdivision Review Board final approval authority over parcel maps, lot line adjustments and conditional certificates of compliance. The Planning Commission was given final approval authority over tract maps. This was done to streamline the review process by reducing the steps between application acceptance and approval. In some instances, up to three steps were eliminated from the review process. The new process should result in faster processing time for housing projects.

The following table shows the level of review required for typical multiple unit residential projects. This table reflects action taken by the Board of Supervisors in March of 1993 to streamline the review process, as noted above.

While the Board of Supervisors no longer has primary review authority over discretionary use permits, all projects are ultimately appealable to the Board.

Review Process

Type of Permit	Number of units or lots	Status	Review Authority
Parcel Map	4 lots or less	Discretionary	Subdivision Review Board
Tract Map	5 lots or more	Discretionary	Planning Commission
Site Plan	5-20 units	Ministerial	Planning staff
Minor Use Permit	Inland- 21-39 units Coastal- 5-24 units	Discretionary	Public hearing with planning staff hearing officer
Development Plan	Inland- 40 + units Coastal-25+ units	Discretionary	Planning Commission

Permit processing times vary depending on whether the project is ministerial (staff approval without a public hearing) or discretionary (public hearing required). All ministerial and discretionary residential projects are reviewed by several county departments prior to staff approval or a public hearing before the review authority. The Planning Department reviews projects for compliance with the county general plan and the state Subdivision Map Act. The office of the Environmental Coordinator conducts environmental reviews per the requirements of CEQA. The Engineering Department reviews the project for its effect on roads, drainage and county water and sewer districts. The Health Department reviews for compliance with water supply and sewage disposal requirements and the Fire Department insures that fire safety standards are met. Projects may also be reviewed by regional or state agencies as required. Projects near an incorporated city are referred to that city for comments.

Changes in the permit review process adopted by the Board of Supervisors in March of 1993, have resulted in significantly reduced processing times for new residential projects. Staff has estimated an average reduction in processing time for discretionary projects of 4 months. This should result in a 6 month processing time (from application acceptance to project approval) for parcel maps, tract maps and development plan projects receiving a negative declaration and one year if an environmental impact report is required. The county's goal for processing site plans and minor use permits is 2-3 months and 3-4 months respectively.

CHAPTER 3: POPULATION PROFILE AND HOUSING RESOURCES

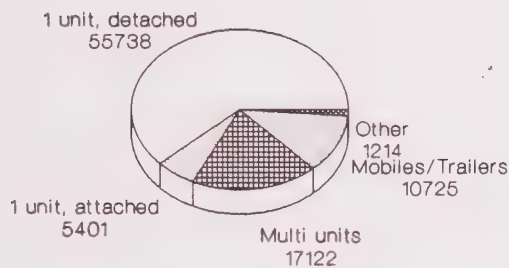
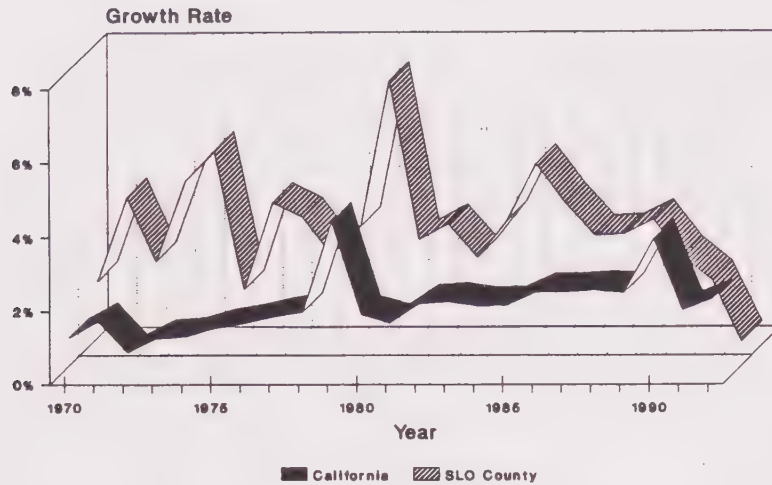
A. INTRODUCTION

Between 1980 and 1990, the county's population increased 39.7 percent, from 155,435 to 217,162 residents. This represented an increase of approximately 6,172 new residents per year over the ten year period. The bulk of this additional population was absorbed by the incorporated cities which captured 53.2% (32,854) compared to 46.8% (28,873) for the unincorporated area. These additional residents resulted in a combined 34% growth rate for the incorporated cities and a 47% growth rate for the unincorporated area between 1980 and 1990. The unincorporated area, the community of Baywood/Los Osos had the largest numerical increase with 3,444 new residents, a 31% growth rate since 1980. The community of Templeton posted the highest growth rate since 1980 at 137% (1,671 new residents).

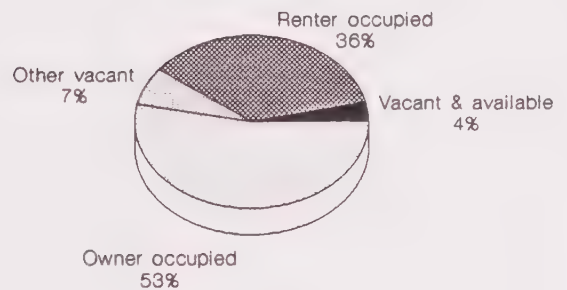
The following tables show population and housing unit statistics on a countywide basis. The remainder of the chapter discusses employment trends, housing issues in various communities, housing supply, housing condition, projected needs, new construction, land for housing, sites for homeless shelters, assisted housing developments and opportunities for energy conservation.

B. COUNTY POPULATION PROFILE

Annual Population Growth Rate California and SLO County

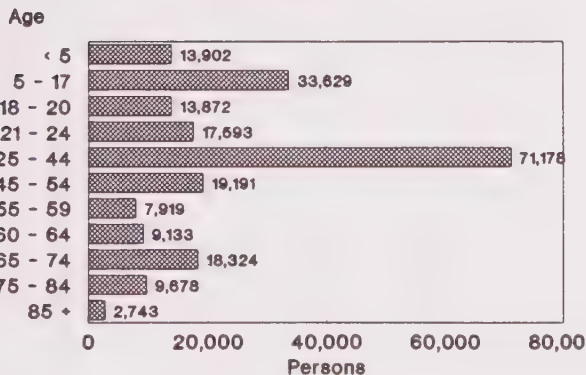


1990 Housing Units by Type

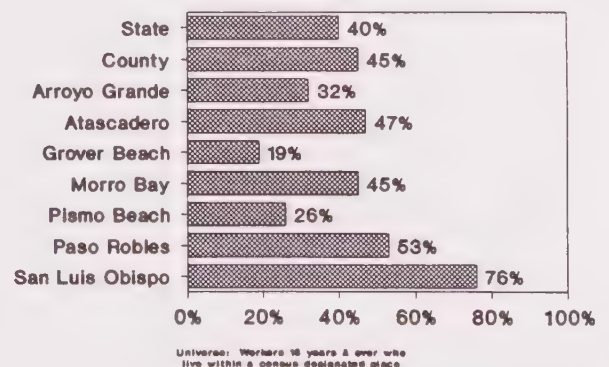


1990 Housing Occupancy

Age Distribution (Median Age = 33.1)



Persons Who Work Within Their Place of Residence



SAN LUIS OBISPO COUNTY

1990 AGE AND RACIAL DISTRIBUTION

Community	Population	Age Distribution				Racial Distribution %					
		0-6	7-17	18-64	65 +	WHT	BLK	ASN	IND	OTR	HSP
Arroyo Grande	14378	1317	2053	8149	2859	92.71	0.61	3.64	0.82	2.21	9.02
Grover City	11656	1339	1649	7244	1424	86.14	1.74	4.52	1.43	6.16	19.56
Paso Robles	18583	2452	2984	10525	2622	84.80	3.52	1.84	1.40	8.43	18.12
Atascadero	23138	2801	3908	13830	2599	94.03	1.12	1.13	1.17	2.54	8.52
Morro Bay	9664	603	865	5691	2505	93.69	0.56	1.74	1.08	2.94	7.70
Pismo Beach	7669	551	580	4710	1828	95.44	0.50	1.98	0.56	1.53	6.45
San Luis Obispo	41958	2362	3426	31036	5134	88.68	1.90	5.11	0.75	3.57	9.42
Cambria CDP	5382	372	567	3130	1313	95.87	0.22	1.10	0.58	2.23	9.25
Cayucos CDP	2960	194	327	1671	768	95.7	0.34	1.49	0.78	1.69	4.43
Baywood-Los Osos CDP	14377	1350	2021	8541	2474	91.91	0.82	4.51	0.89	1.86	6.92
Nipomo CDP	7109	903	1225	4037	944	85.16	0.70	1.94	1.11	11.08	35.14
Oceano CDP	6169	778	1031	3656	704	84.13	0.88	2.84	1.33	10.83	36.18
San Miguel CDP	1123	169	224	629	101	86.02	3.21	1.33	3.21	6.23	14.76
Templeton CDP	2887	401	462	1633	391	95.36	0.38	0.97	0.94	2.36	8.28
Lake Nacimiento CDP	1556	155	214	912	275	94.86	0.64	1.22	1.29	1.99	5.72
County	217162	19585	27946	138886	30745	89.16	2.64	2.85	1.01	4.34	13.32

Abbreviations: WHT = White; BLK = Black; ASN = Asian or Pacific Islander; IND = American Indian, Eskimo or Aleut; OTR = Other; HSP = Hispanic (Person of Hispanic origin, may be of any race); CDP = Census designated place (May not coincide with community boundaries)

Source: 1990 Census

U.S. Census Population Estimates 1950-1990

San Luis Obispo County

Community	1950	1960	1970	1980	1990
Arroyo Grande	1,723	3,291	7,454	11,290	14,378
Atascadero	3,443	5,983	10,290	16,232	23,138
Grover Beach	1,446	1,317	2,564	4,551	11,656
Morro Bay	1,659	3,692	7,109	9,163	9664
Paso Robles	4,835	6,677	7,168	9,163	18,583
Pismo Beach	2,278	3,582	4,043	5,364	7,669
San Luis Obispo	14,180	20,437	28,036	34,252	41,958
Total Incorporated	29,564	44,979	66,664	90,015	127,045
Avila Beach	500	550	400	963	873
Cambria	788	1,260	1,716	3,061	5,382
Cayucos	924	1,400	1,772	2,301	2,960
Lake Nacimiento	*	*	*	*	1,556
Baywood/Los Osos	600	1,480	3,487	10,933	14,377
Nipomo	2,125	5,210	5,939	5,247	7,109
Oceano	*	2,430	3,642	4478	6,169
San Miguel	572	910	808	803	1123
Santa Margarita	535	630	726	887	1173
Templeton	795	950	743	1216	2887
Total Unincorporated	21,853	36,065	39,026	65,420	90,117
Total County	51,417	81,044	105,690	155,435	217,162

Note: Populations for the unincorporated communities do not add to total unincorporated because rural areas are not included.

* = Not available

Source: 1990 Census, Calif. Department of Finance estimates, San Luis Obispo County 1992 Regional Profile.

Since 1990, the county's population growth rate has fallen dramatically. In April of 1992, according to state Department of Finance figures, the county's population was 221,902. This represents an increase of only 4740 persons since 1990 or 2,370 persons per year, considerably less than the 6,172 persons per year in the 1980's. The primary reason for this decline, is a drop in migration to the county. The statewide recession, high housing costs compared to wages,

lack of good paying jobs and cutbacks at state institutions, such as Cal Poly, have combined to make the county slightly less attractive to potential new residents.

EMPLOYMENT

Employment levels for the various sectors of the county's economy are monitored by the state Employment Development Department (EDD). Each year the state issues a report entitled, "Annual Planning Information", for each county and the State of California.

According to the most recent report, published in 1992 and based on data through 1991, the county experienced uninterrupted employment growth between 1982 and 1990. In 1990, total wage and salary employment declined 6.3 percent. In 1991, wage and salary employment bounced back with a 7 percent increase over 1990.

The economy of San Luis Obispo county is dominated by three sectors: services, government and retail. Together these three sectors accounted for 65.4 percent of all wage and salary employment in 1990. According to EDD's report, this is expected to increase to 67.3 percent by 1997.

The Services sector, which in 1990 totaled 22.3 percent of all wage and salary jobs countywide, is expected to increase to 23.8 percent by 1997. Retail, which totaled 20.9 percent in 1990, is expected to increase to 21.5 percent by 1997. Government, however, is expected to decline from 22.7 percent of all wage and salary jobs in 1990 to 22 percent by 1997.

The following table shows employment levels in 1990 for the various sectors of the economy and projected changes through 1997.

WAGE AND SALARY EMPLOYMENT BY INDUSTRY
ANNUAL AVERAGES
SAN LUIS OBISPO COUNTY
1990,1997

Total all Industries	1990	1997	Percent Change
	72,100	89,700	24.4
Agriculture, Forestry, Fisheries	2,650	3,050	15.1
Total Nonagricultural	69,450	86,650	24.8
Nonagricultural Goods Producing	10,750	12,600	17.2
Mining	200	200	0
Construction	4,800	5,200	8.3
Manufacturing	5,750	7,200	25.2
Nondurable Goods	2,550	3,300	29.2
Printing	1,300	1,550	19.2
Other Nondurable Goods	1,250	1,750	40.0
Durable Goods	3,200	3,900	21.9
Electrical Machinery	850	950	11.8
Other Durable Goods	2,350	2,950	25.5
Nonagricultural Service Producing	58,700	74,050	26.1
Transportation and Public Utilities	3,850	5,050	31.2
Wholesale Trade	2,000	2,200	10.0
Retail Trade	15,100	19,350	28.1
Finance, Insurance and Real Estate	5,200	6,300	21.5
Services	16,150	21,400	32.5
Government	16,400	19,750	20.4
Federal	700	800	14.3
State	15,700	18,950	20.7

Note: Employment is reported by place of work and it excludes the self-employed, unpaid family workers and workers involved in labor disputes. Data is bench marked to March 1991. Totals may not add up to the amounts indicated as a result of independent rounding.

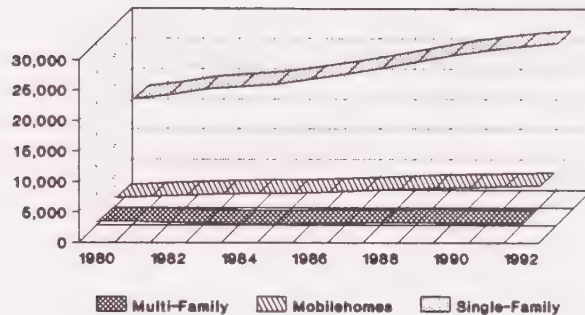
Source: Employment Development Department, Annual Planning Information, June 1992

C. COMMUNITY PROFILES

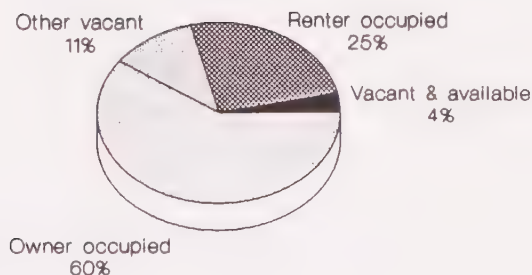
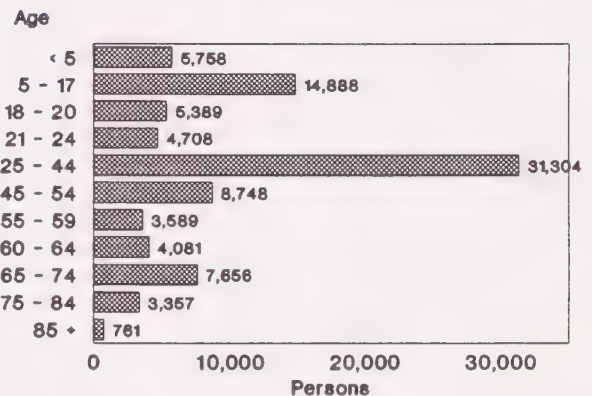
The following pages contain diagrams that summarize facts about the population and kinds of housing (based on the 1990 Census and the 1992 county housing condition survey) in each of the unincorporated communities and the unincorporated county as a whole. This information compares the social, economic and housing conditions of the communities, as well as identifying the housing programs that should be emphasized in each.

Total Unincorporated County

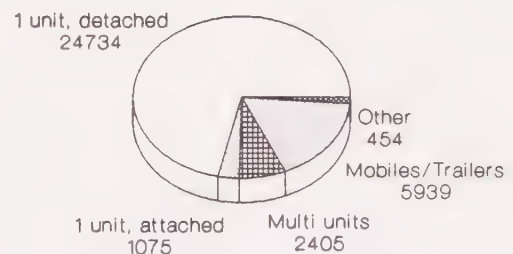
Estimates of Housing Units
1980 to 1992
Unincorporated San Luis Obispo County



Age Distribution



1990 Housing Occupancy



1990 Housing Units by Type

Avila Beach:

Avila Beach has long been a recreation and tourist oriented community serving both county residents and non-residents. As defined by general plan urban reserve lines, the community of Avila Beach extends beyond the town of Avila to Port San Luis on the north and reaches southeast almost to Hwy 101.

Housing in the community is confined to three largely separate areas, each served by its own water company. These include, the Town of Avila, San Luis Bay Estates and some low density development in Avila Valley. Lack of water has been the primary factor limiting new development in the town of Avila. A moratorium, placed on the issuance of new will serve letters in 1977 by the Community Services District, was recently lifted and some new residential permits will be available. Since 1977, new residential development has been confined primarily to the San Luis Bay Estates and Avila Valley areas. However, it is anticipated that additional water supplies will be available for this area.

According to the 1990 census, the population of Avila Beach has been fairly stable since 1980. The results of the county's 1992 housing condition survey show housing in Avila to be in very good condition. Other census data on occupancy, age of residents, housing type and income is not available at this time.

The following types of programs should be considered in Avila Beach:

- . Discourage conversion of housing to non-residential uses
- . Encourage lower cost housing.
- . Consumer education on housing related programs and services

Cambria:

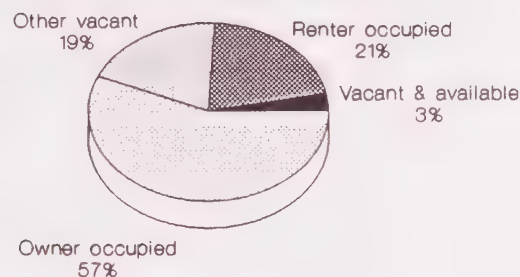
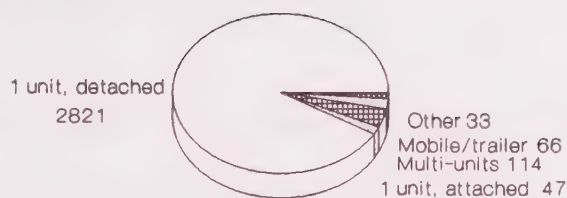
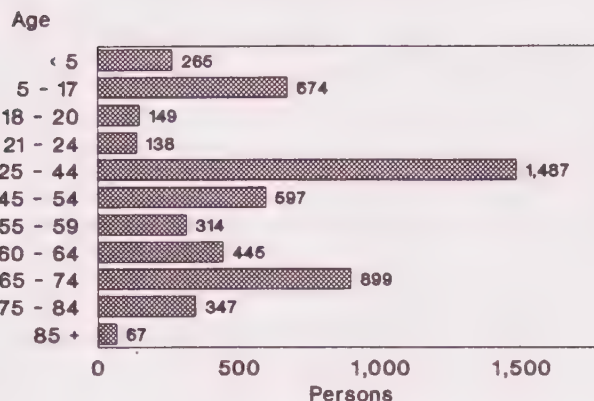
With approximately 3110 people in 1980 and 5382 people in 1990, Cambria has been the second fastest growing community in the county. Because of its lack of local employment opportunities and distance from other job areas, the community has many attracted retired people and younger families who are self-employed. The largest age group is the 25-44 group and the second largest is the group age 17 and under. This indicates a growing number of families with children. Housing is in very good condition, with a high percentage of single family and owner-occupied units. The unusually large number of vacant, individually-owned lots in Cambria creates a high potential for owner-built housing, however, new development is limited because of water shortages.

The following types of programs should be emphasized in Cambria:

- . Owner-built housing
- . Consumer education on housing related programs and services .
- . Encourage lower cost housing
- . Encourage multi-family housing

Cambria

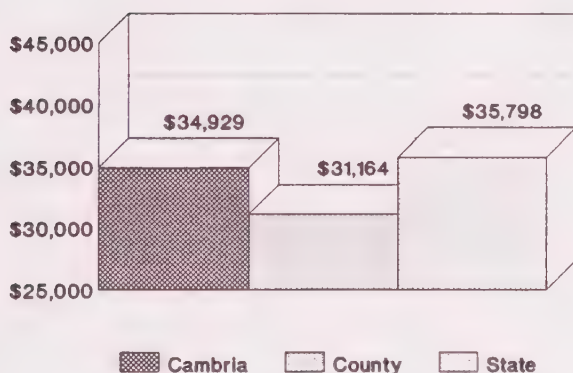
Age Distribution (Median Age = 44.8)



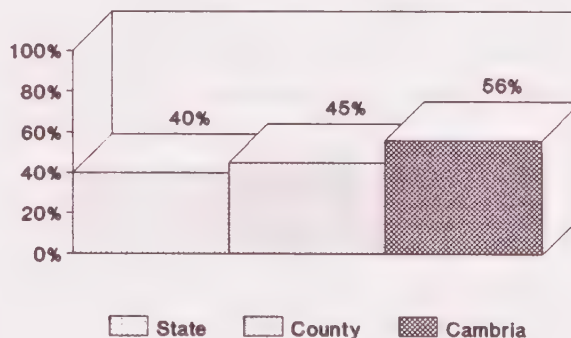
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



Cayucos:

This community of 2,960 people has historically attracted a large number of retired people who enjoy the small-town coastal setting. This trend appears to be continuing as the 1990 census shows a 2% increase, over 1980, in the number of residents 65 years or older. The census also shows an increase in the 0-17 year old age group. This could mean that a growing number of families with children are also finding the community desirable. The 1980 census indicated a low percentage of home-owners, although Cayucos has a higher than average share of single-family residences. The 1990 census revealed a very similar situation with only slight percentage changes. It's likely that this is the result of owners who use the homes for vacations and rent them during the winter.

Although Cayucos has a large number of older homes, overall housing conditions are very good. This may be the result of very high median home values, which are the highest of any unincorporated community. The lower than average income level reflects the large percentage of retired persons with incomes generally lower than working families but is in contrast to high housing costs in the community. For several years new housing development in Cayucos was prohibited due to a lack of water.

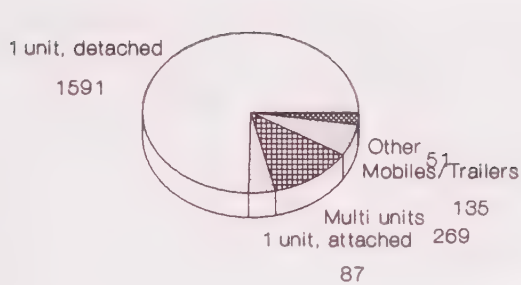
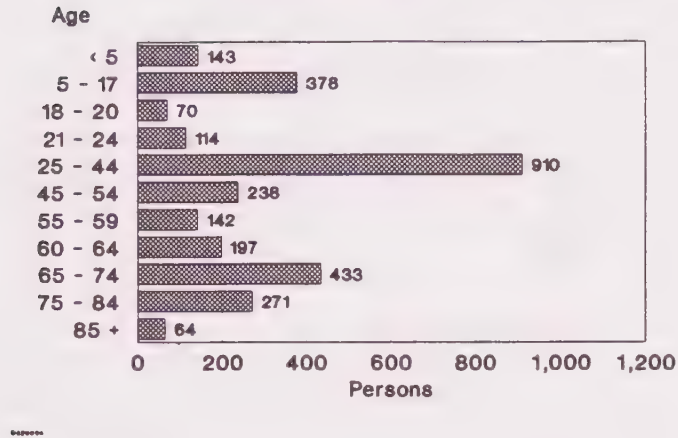
The Board of supervisors has recently lifted this prohibition due to a successful water conservation program by the community. A limited number of permits for new residential units will be issued based on projections of capacity by the local water purveyors.

The following types of programs should be emphasized in Cayucos:

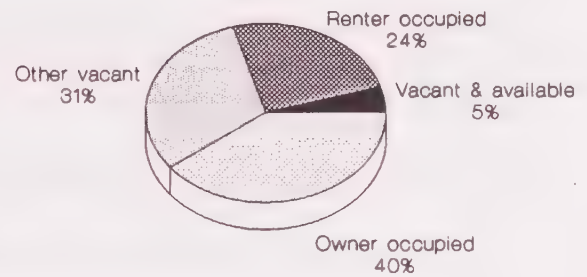
- . Consumer education on housing related programs and services
- . Encourage multi-family housing
- . Owner built housing

Cayucos

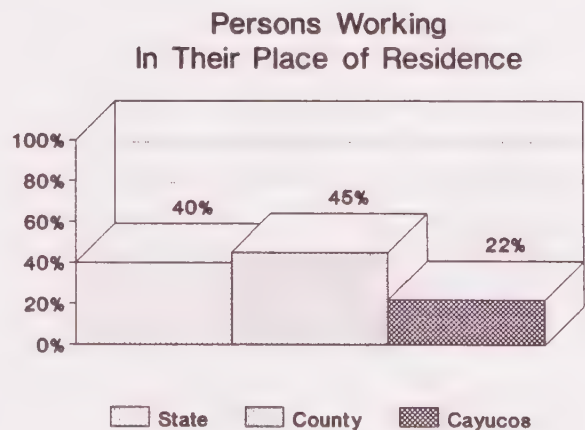
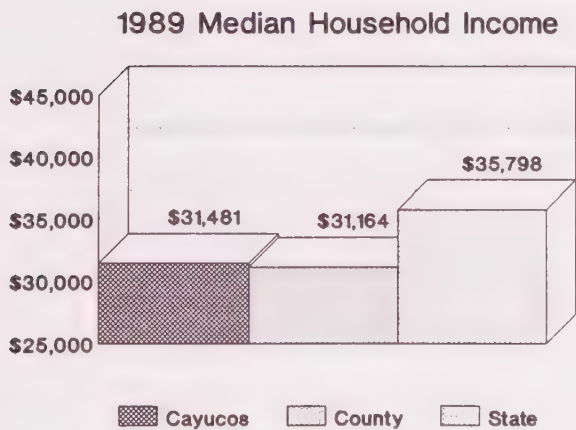
Age Distribution (Median Age = 42.0)



1990 Housing Units by Type



1990 Housing Occupancy



Nipomo:

Between 1980 and 1990, the population of Nipomo grew from 5247 to 7109 new residents, a growth rate of 35%. The growth was the result of several factors including: a good climate, low land values, proximity to Santa Maria and a community sewer system which came on line in the late 1980's.

With the growth came substantial increases in property values. Nipomo, which had historically been a more affordable area, was no longer affordable to many long time county residents. The 1990 census shows a median value of \$188,600 for a residence in Nipomo. This is compared to a \$72,100 median value in 1980.

Due to a significant number of one acre and larger lots, Nipomo became a destination for wealthy retirees and others wanting land to build large homes. This significantly changed the social make-up of the community and in many instances, long time residents found their lifestyles at odds with those of newcomers. Despite an influx of wealthier residents, Nipomo is not a high income area. Median family income of \$31,853 (1990 census) is well below the county median of \$37,086 (1990 census).

Nipomo is currently facing resource constraints that may affect future development. Among these are water availability, road capacities and school capacities. According to the county Resource Management System the Santa Maria Groundwater basin is nearing capacity. In addition, the Lucia Mar school district enrollment exceeds capacity by 2.9 to 23.4 percent depending upon grade level. The Tefft street/Hwy 101 interchange should be funded by 1995, however, there are many other roads in Nipomo that are in need of improvement.

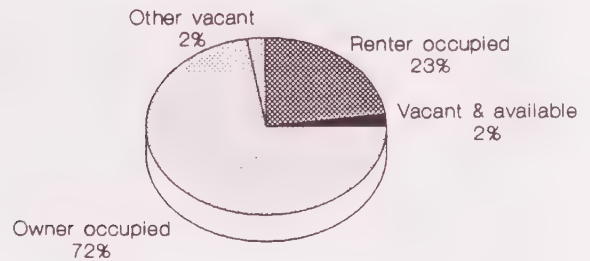
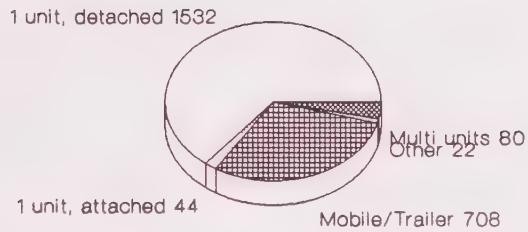
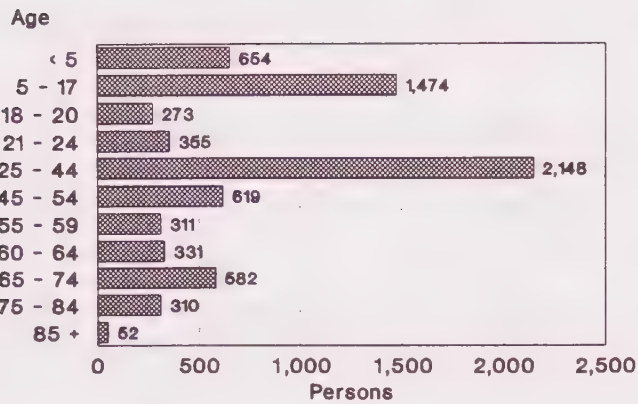
Nipomo has a high percentage of owner occupied units and a low vacancy rate. Housing condition is generally good. The percentage of deteriorating units is low compared to the total number of units, however, there may be enough to include the community as part of a housing rehabilitation program.

The following types of programs should be emphasized in Nipomo:

- . Owner-built housing
- . Reduction of urban sprawl
- . Grants and low interest loans for housing maintenance and rehabilitation
- . Encourage multi-family housing
- . Consumer education on housing related programs and services

Nipomo

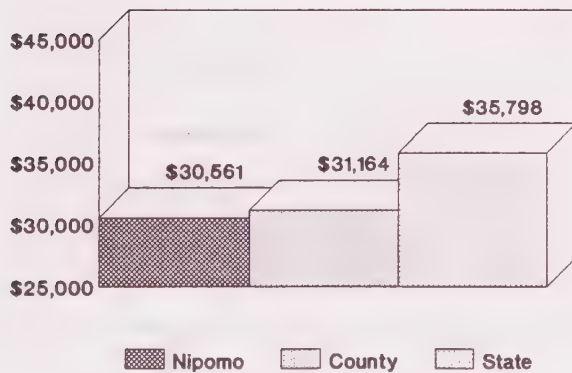
Age Distribution (Median Age = 32.0)



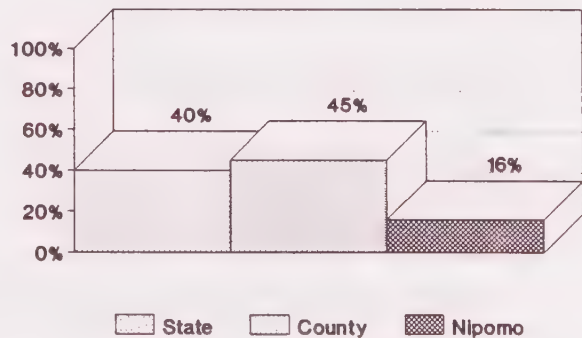
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



Oceano:

Oceano is another community that has experienced a high growth rate (37%) between 1980 and 1990. This was primarily due to three factors: its location, availability of services and the existence of a large number of available and less expensive building sites. Housing is the most affordable of any community that has full services and is within reasonable distance of job markets.

The town contains a large number of persons in the 25-44 and 0 -17 age groups. This indicates many families with children. Housing condition is generally good but there are many houses in need of maintenance. The low median income in Oceano makes purchase and maintenance of housing difficult. There is a good supply of land zoned for multi-family dwellings, however, so rental housing is a viable alternative if it is developed.

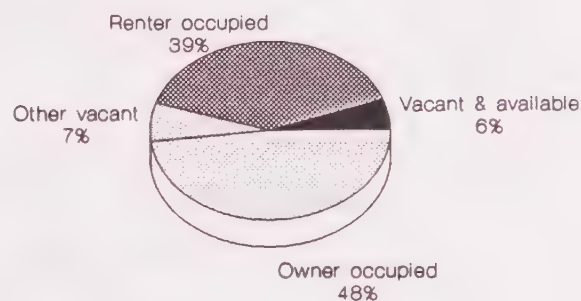
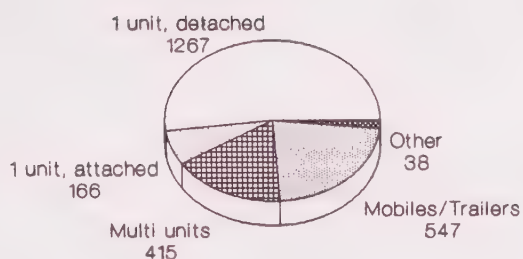
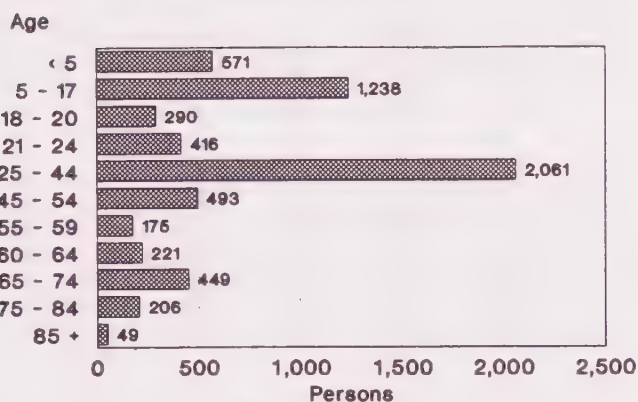
The county utilized Community Development Block Grant funds to rehabilitate 41 deteriorated single family homes occupied by low income households; this program was completed in 1985. Because of the availability of lower-cost lots, owner-builder programs as well as programs encouraging rental and ownership housing maintenance for lower income families should be of highest priority. Oceano faces some resource constraints to new development. These include, possible future water availability problems (RMS level II) and an ongoing problem with school overcrowding.

The following types of programs should be emphasized in Oceano:

- . Consumer education on housing related programs and services
- . Grants and low interest loans for housing maintenance
- . Encourage multi-family housing
- . Owner built housing

Oceano

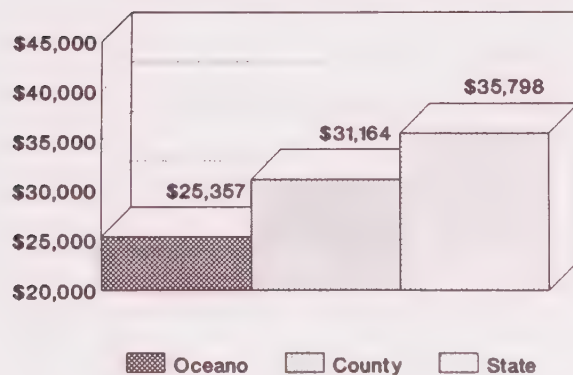
Age Distribution (Median Age = 29.9)



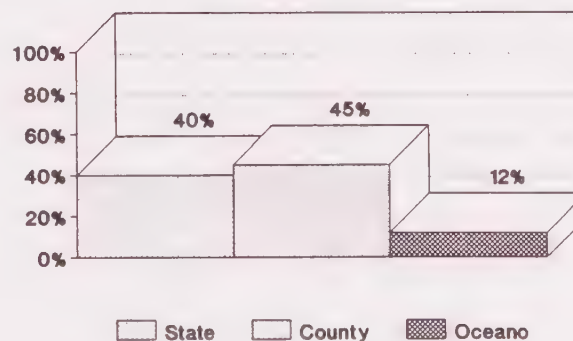
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



San Miguel:

San Miguel is a town of 1123 people (1990) that has experienced a 39% growth rate since 1980. There are few jobs so most residents travel to Paso Robles or elsewhere for employment. Much of the growth has been fueled by low land costs and consequently low housing costs. Its location along a major freeway, the rural small town character and its proximity to Paso Robles make it a very attractive choice for those who like the lifestyle and want more affordable housing.

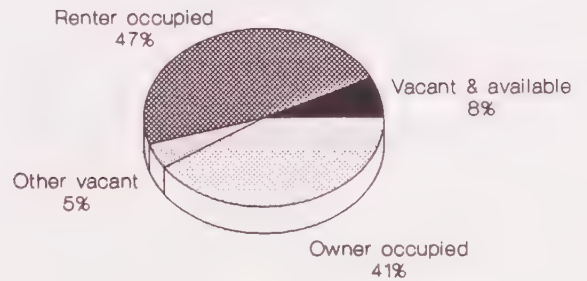
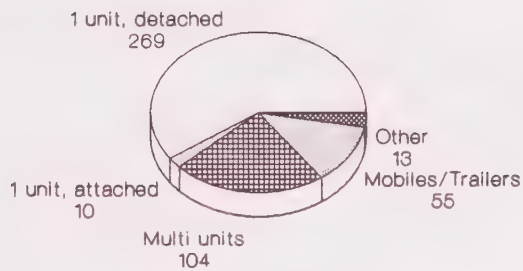
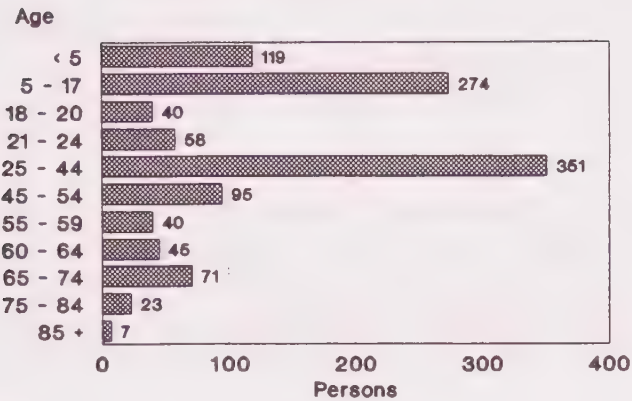
There is an unusually high percentage of renters and unsound housing in San Miguel. Reasons for this lie in the low median income in the community which necessitates renting as opposed to purchasing and makes ongoing maintenance difficult. In spite of the high numbers of renters, a sense of community exists which should be encouraged. Since 1987, San Miguel has been a target community for two state Community Development Block Grant programs focusing on housing rehabilitation.

The following types of programs should be emphasized in San Miguel:

- . Owner-built housing
- . Consumer education on housing related programs and services
- . Grants and low-interest loans for housing maintenance and rehabilitation

San Miguel

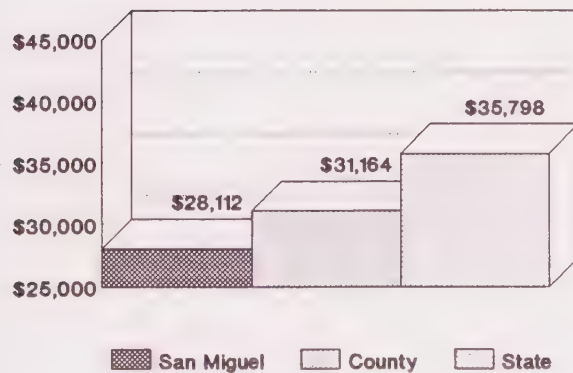
Age Distribution (Median Age = 28.4)



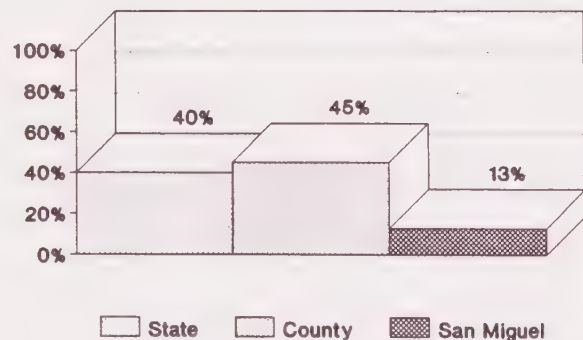
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



Santa Margarita:

Santa Margarita is a community of about 1,173 people that has experienced limited growth, considering its proximity to San Luis Obispo. This is partially due to problems with water distribution and sewage disposal. The community is now at the highest severity level (level III) for water distribution according to the county Resource Management System. In addition, Santa Margarita does not have a community sewer system and must rely on septic systems in soils that are not conducive to this method of sewage disposal at higher density levels.

Housing condition in the community is very good. Due to the resource and service constraints involved with constructing new units, persons wanting to live in Santa Margarita have often purchased existing units and rehabilitated them. Until resource constraints are resolved and new growth can be accommodated, preservation of existing housing should be stressed. Census data on occupancy, age of residents, housing type and income is not available at this time.

The following types of programs should be emphasized in Santa Margarita:

- . Consumer education on housing related programs and services
- . Grants and low interest loans for housing maintenance and rehabilitation

Baywood/Los Osos

Between 1980 and 1990, this community of 14,377 had the highest numerical population growth (3,444) of any unincorporated community. The community has long been an alternative choice for those who could not afford or did not want to live in San Luis Obispo yet preferred the advantages of a marine climate and proximity to the city. Partly due to this rapid growth, housing is generally in very good condition. Baywood-Los Osos has a higher percentage of single family dwellings and a higher percentage of owner occupied units than the unincorporated county as a whole. This is partially due to a median household income that is higher than the countywide median. The age profile of the community shows a large number of 25-44 year olds and a large number of 0-17 year olds. Together, these groups comprise about one-half of the population which indicates a large number of families with children.

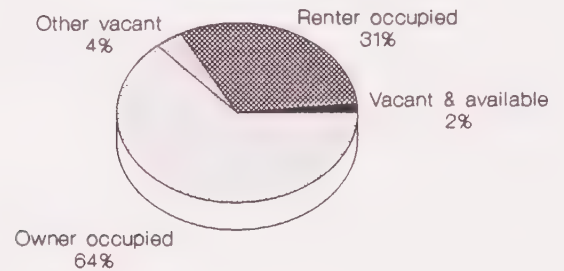
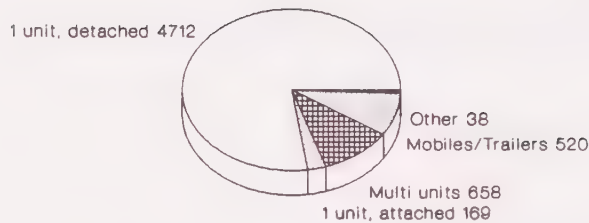
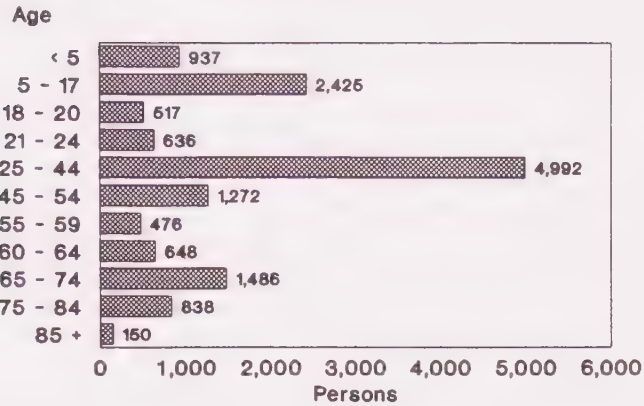
Rapid growth has created environmental problems related to sewage disposal and problems with saltwater intrusion into groundwater. In 1989, the Regional Water Quality Control Board placed a moratorium on septic tank discharge over a large portion of the community. This has virtually halted new residential and commercial development in the affected area. Water quality studies are currently underway to determine the effect of saltwater intrusion on the groundwater supply. These problems have slowed the growth of this community and have made affordable housing programs difficult to implement.

The following types of programs should be emphasized in Baywood-Los Osos :

- . Owner-built housing
- . Encourage multi-family housing when sewage disposal problem is solved
- . Consumer education on housing related programs and services
- . Grants and low interest loans for housing maintenance and rehabilitation

Baywood/Los Osos

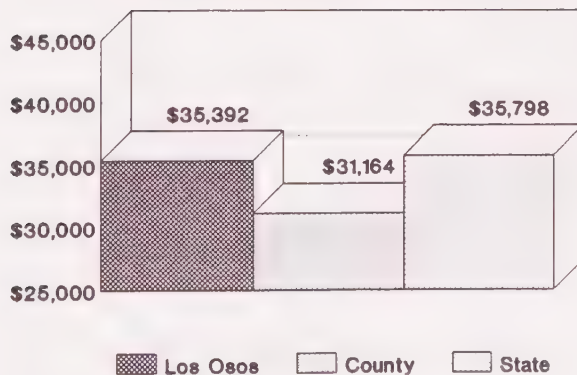
Age Distribution (Median Age = 36.6)



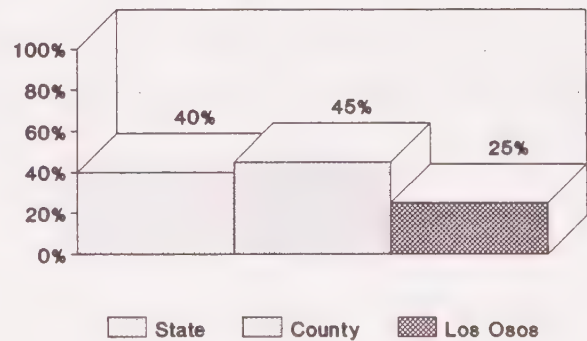
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



Templeton

In the 1980's, the community of Templeton had the highest growth rate of any unincorporated community. The population increased from 1,216 in 1980 to 2,887 in 1990, a 137% increase. In the mid to late 1980's the westside of Templeton was subdivided into hundreds of one acre parcels. These are primarily being developed with large, expensive, homes.

The community has a higher percentage of owner-occupants and single-family units than the unincorporated area as a whole. It also has a higher percentage of deteriorating housing most of which is located in the older areas of town, east of Hwy 101. The median family income in Templeton is higher than the county median. This is likely the result of the extensive number of large lot residential developments and higher income families occupying these newer, more expensive, homes.

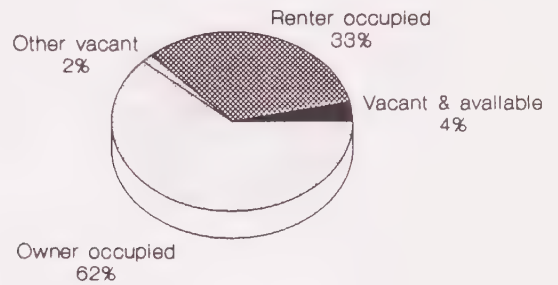
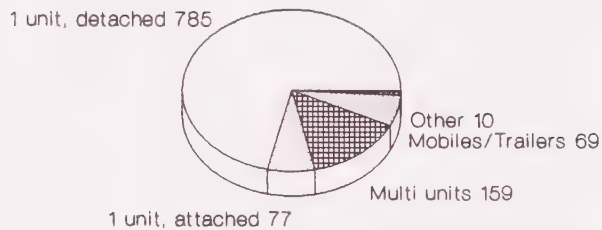
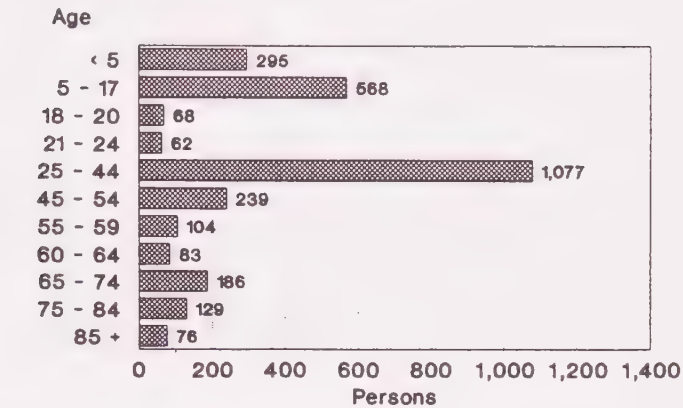
The Templeton Community Services District estimates that its existing water supply can serve a population of 6,000. As of 1990, this capacity had been allocated with an additional 1000 units on the waiting list should additional resources be discovered.

The following types of programs should be emphasized in Templeton:

- . Grants and low-interest loans for housing maintenance and rehabilitation
- . Owner-built housing
- . Encourage multi-family housing
- . Consumer education on housing related programs and services

Templeton

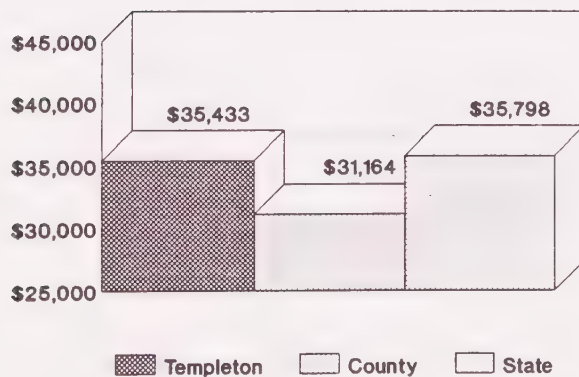
Age Distribution (Median Age = 33.7)



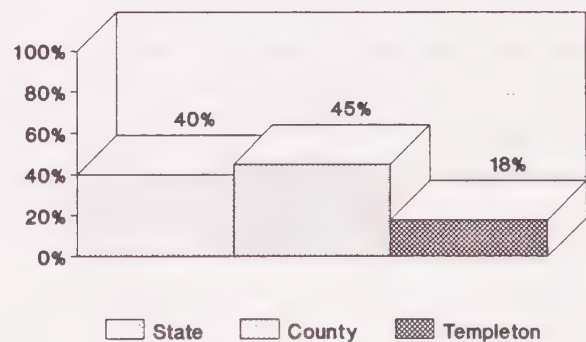
1990 Housing Units by Type

1990 Housing Occupancy

1989 Median Household Income



Persons Working In Their Place of Residence



Rural Areas of the County

The rural areas of the county (areas outside incorporated cities and unincorporated communities) grew slightly between 1980 and 1990, from 21% to approximately 22% of the county population. The Housing Element programs are primarily focused on the unincorporated communities because of the desire to encourage development in areas with existing services. There are many programs, however, that can benefit rural residents.

Currently, census data of the type used to profile the unincorporated communities is not readily available for the rural areas. However, due to the slight change in population for the rural areas, the 1990 percentages are probably quite similar to those from 1980.

The following types of programs should be emphasized in rural areas:

- . Owner-built housing
- . Consumer education on housing related programs and services.

D. EXISTING HOUSING SUPPLY

This section presents an overview of unincorporated county housing supply in terms of housing unit type, , condition, vacancy rate, and housing construction activity.

Housing Unit Types

The basic measure of housing supply is the dwelling unit: single-family dwelling, multiple-family unit (apartment) or mobilehome. While single family dwellings are still by far the most popular type of housing, mobilehomes represent a significant portion of the county's housing stock. This is partially due to a change in county ordinances in the mid-1980's, reducing the minimum parcel size for all mobilehomes in rural areas from 10 acres to 5 acres. The following table depicts housing units by type in the unincorporated area and countywide.

HOUSING UNITS BY TYPE - UNINCORPORATED COUNTY

Type of Unit	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
Single Family Detached	24,734	71.48	55,738	62
Single Family Attached	1075	3.1	5401	6
Multi-Family	2405	6.95	17,122	19
Mobilehome	5939	17.16	10,725	12
Other	454	1.31	1214	1
Total Units	34,607	100	90,200	100

Source: 1990 Census

The following table shows the number of occupied and vacant units in 1990 in the unincorporated area and countywide. Although not shown in this table, the overall vacancy rate for the incorporated cities (8.48 percent) was far less than the unincorporated area. Vacancy rate is discussed in greater detail later in this section.

Number of Units by Occupancy Status

Units	Unincorporated County		Countywide	
	Number	Percent	Number	Percent
Occupied	29,402	84.96	80,281	89
Vacant	5,205	15.04	9,919	11
Total	34,607	100	90,200	100

Source: 1990 Census

Size of Units

Number of Rooms*	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
1	541	1.6	2,387	2.6
2	1,460	4.2	5,432	6
3	3,218	9.3	9,731	10.8
4	6,764	19.5	20,106	22.3
5	8,651	25	20,936	23.2
6	7,282	21	16,983	19
7	3,627	10.4	8,294	9.1
8	1,717	5	3,623	4
9+	1,347	4	2,708	3
Total Units	36,407	100	90,200	100

* Living rooms, dining rooms, kitchens, bedrooms, recreation rooms, enclosed porches

Source: 1990 Census

Housing Conditions

In June of 1992, staff from the Department of Planning and Building conducted a housing condition survey of housing units within the county's urban and village reserve boundaries. Each survey team included a member of the planning staff and a building inspector, who did the actual evaluation. The condition rating system used for the survey was modeled after one provided by the state Department of Housing and Community Development, with minor modifications.

The system established three levels of housing condition based upon five exterior components. Levels of condition included: sound, deteriorating and dilapidated. Components surveyed included: foundation, roofing, siding, windows and doors. Points were assigned to each component in the following manner based on level of deterioration: sound--0 to 9 points, deteriorating--10 to 55 points and dilapidated--56 or more points.

Sound units are those requiring only painting or very minor repairs such as window or door repair and roof patching. Deteriorating units are in need of several non-structural or at least one structural repair. Examples include: roof structure replacement, siding replacement, window replacement and foundation replacement. Dilapidated units require several major repairs. To be classified as dilapidated, a unit would require replacement of all of the following: foundation, roof structure, siding and windows.

As the following table shows, housing condition in the unincorporated urban and village areas is generally quite good. There are some areas, however, where the percentage of deteriorating units is relatively high. These include: San Miguel, Whitley Gardens, Shandon and California Valley.

Survey of Housing Conditions in the Unincorporated Communities

Community	# of Units surveyed	# of units in sound condition	# of units in deteriorated condition	# of units in dilapidated condition
Oak Shores	377	377	0	0
Heritage Ranch	1125	1125	0	0
San Miguel	384	331	52	1
Whitley Gardens	87	76	11	0
Shandon	211	199	12	0
Creston	23	19	4	0
Paso Robles (rural)	112	111	1	0
Templeton	1030	1014	15	1
Garden Farms	90	89	1	0
Santa Margarita	364	361	3	0
Cal Valley	130	117	12	1
San Simeon	231	231	0	0
Cambria	2775	2765	9	1
Cayucos	1580	1571	9	0
Nipomo	2874	2857	17	0
Los Ranchos	528	527	1	0
Avila Beach	550	548	2	0
Los Osos	5199	5183	16	0
Oceano	1811	1784	27	0
Palo Mesa	235	234	1	0
Callender Garrett	258	258	0	0
Los Berros	48	48	0	0
Totals	20,015.00	19,818.00	193	4

Source: 1992 Housing Condition Survey (County of San Luis Obispo, Department of Planning and Building)

Vacancy Rates

Vacancy rates are indicators of housing availability. When vacancy rates are high, there is an adequate supply of housing; consequently prospective owners and renters have a wider variety of choice. With fewer vacancies, the choice of housing is conversely limited; demand for housing exceeds supply and contributes to increases in cost.

Extreme vacancy rates can create problems ranging from a critical housing shortage if vacancy rates are too low, to the income loss and maintenance problems associated with high vacancy rates. In order to assure adequate choice and availability of housing, while balancing the market for landlords and sellers, the "desirable" rates of vacancy would range between 4-6% for rental units and 1-3% for owner occupied units (according to Federal Housing Administration standards).

It is important to understand that available vacant housing consists of dwelling units that are either for sale or rent. Unavailable vacant housing consists of second homes and vacation homes with owners' permanent residences located elsewhere. This type of housing is more prevalent in the coastal communities.

Vacancy Status

Status	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
For Rent	736	2.1	1972	2.4
For Sale Only	511	1.47	1383	1.53
Rented or sold, not occupied	298	.86	700	.77
Seasonal, Recreational or occasional use	2693	7.78	4234	4.69
For migrant workers	60	.17	64	.07
Other	901	2.6	1566	1.73
Total	5199	15.0	9919	11.0

Source: 1990 Census

Most of the county's vacant housing stock is in the category of seasonal, recreational or occasional use units. These units do little to solve the county's housing problems. The unincorporated area's vacancy rate for rental units is quite low, at 2.1 percent. This has a detrimental effect on housing choice, often for the lower income households who must compete with higher income households for few available units.

New Housing Construction

Housing construction is influenced by the cumulative decisions of many local individuals and groups. Builders, developers, bankers, families, individuals and government agencies make decisions affecting the type, location, supply and cost of housing. Decisions of local individuals and groups are influenced by events occurring at the state and national levels including: the condition of the economy, new state and federal construction regulations and new government programs focusing on housing.

Housing Unit Growth (1980-1990)

Community	1980		1990		1980-1990
	Units	Percent	Units	Percent	Percent Increase
Avila Beach	756	2.93	599	1.73	(17.5)
Cambria	1873	7.56	3081	8.9	64.49
Cayucos	1799	7.26	2133	6.2	18.56
Nipomo	1780	7.20	2386	6.9	34.04
Oceano	1771	7.15	2433	7.0	37.38
San Miguel	419	1.70	451	1.3	7.64
Santa Margarita	408	1.64	464	1.34	13.72
Baywood/Los Osos	5004	20.20	6097	17.62	21.84
Templeton	450	1.82	1100	3.18	144.44
Nacimiento	*	*	1047	3.0	*
Other Unincorporated	10534	42.54	14816	42.83	40.64
Total Unincorporated	24764	100.0	34607	100.0	39.74
Countywide	66780	100.0	90200	100.0	35.0

* Not available

() Denotes decrease

Source: 1980 Census, 1990 Census, State Department of Finance estimates

Between 1980 and 1990, 9,843 units were added to the housing stock the unincorporated area, a 39.74% increase. Percentage of housing unit growth in the unincorporated area was slightly greater than the countywide increase of 35.0%.

E. Regional Housing Needs

This section contains an analysis of provisions in the county general plan to accommodate the unincorporated county housing needs as established by the regional housing needs plan adopted November 6, 1991, by the San Luis Obispo Area Council of Governments.

Summary

The housing needs plan for the San Luis Obispo County region was prepared by the San Luis Obispo Council of Governments pursuant to the requirements of Government Code, section 65584.

Since 1981, state law has required councils of governments to prepare plans which identify each city or county's share of the region's projected housing needs over the five-year time frame of the housing element. The intent of this mandate is to ensure that each community plans for the housing needs of not just its current residents, but also for households that might be expected to live there were a variety of housing choices appropriate to their needs available.

State housing element law, Government Code, section 65583, requires that housing elements incorporate the housing needs identified for a jurisdiction by the regional housing needs plan adopted by the council of governments and approved by the state.

The housing element must also include a five-year program of quantified objectives for development and maintenance of housing. The housing objectives need not be identical to the housing needs, since those needs may exceed a community's available resources and ability to satisfy the need through its general plan. Under such circumstances, the quantified objectives should establish the maximum number of housing units that can be provided during the five-year period.

The income groups used in this plan correspond to the definitions established in the California Health and Safety Code (HSC) as follows: Moderate income = 80% to 120% of county median income per HSC Section 50093; Low income = 50% to 80% of county median per HSC Section 50105; Very low income = 0% to 50% of county median per HSC Section 50079.5.

The following tables show households by income group countywide per the 1990 Census and projected households by income group for the unincorporated area to July 1, 1997, as shown in the adopted Regional Housing Needs Plan.

Households by Income Group

Community	Total households		Very low-income households		Other lower-income households		Moderate-income households		Above moderate-income households	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent

Incorporated cities:

Arroyo Grande	5,717	100	1,148	20	967	17	1,026	18	2,576	45
Atascadero	8,557	100	1,715	20	1,126	13	1,783	21	3,933	46
Grover Beach	4,478	100	1,054	24	866	19	1,099	24	1,459	33
Morro Bay	4,515	100	1,225	27	883	20	1,032	23	1,375	30
Paso Robles	6,976	100	1,750	25	1,282	18	1,428	21	2,516	36
Pismo Beach	3,745	100	842	22	624	17	732	20	1,547	41
San Luis Obispo	16,920	100	5,123	30	3,048	18	3,141	19	5,608	33
Total for cities	50,908	100	12,857	25	8,796	17	10,241	20	19,014	38

Unincorporated communities:

Cambria	2,022	100	383	19	447	22	505	25	687	34
Cayucos	1,361	100	269	20	221	16	384	28	487	36
Los Osos	5,778	100	1,006	17	940	16	1,184	21	2,648	46
Nipomo	2,271	100	449	20	415	18	520	23	887	39
Oceano	2,074	100	565	27	455	22	406	20	648	31
San Miguel	390	100	122	31	66	17	106	27	96	25
Templeton	981	100	259	26	88	9	205	21	429	44
Total unincorporated county	29,287	100	5,204	18	4,732	16	6,285	21	13,066	45

Total county (w/cities)	80,195	100	18,061	22	13,528	17	16,526	21	32,080	40
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Source: 1990 Census

Estimated households by income group 1/1/91 to 7/1/97
Unincorporated Area

Income group	1/1/91		7/1/97		1/1/91 TO 7/1/97	
	Number	Percent	Number	Percent	Number	Percent
Very Low	6,890	23	8,705	24	1,815	28
Other Lower	5,093	17	5,917	16	824	13
Moderate	6,291	21	7,794	22	1,503	24
Above Moderate	11,683	39	13,932	38	2,249	35
Total	29,957	100	36,348	100	6,391	100

Source: San Luis Obispo County Council of Governments Regional Housing Needs Plan

The following table summarizes the surplus or shortfall of existing housing units for the unincorporated areas of the county on January 1, 1991, based on 1990 census data and the methodology provided in the publication entitled Developing A Regional Housing Needs Plan, July 1988, Department of Housing and Community Development. These existing needs estimates account for normal vacancy rates and actual vacant units not available for rent or sale.

Existing needs: 1/1/91

Households	Vacant, Not Available	Needed Units	Existing Units	Unmet Need Balance
29,957	0.114	35,109	35,209	-100

The following table summarizes the new housing construction needs for the unincorporated areas of the county.

New housing construction needs: 1/1/91 to 7/1/97

1/1/91 Vacancy Need	7/1/97 Added Households	7/1/97 Vacancy Need	Total Need
-100	6,391	1,161	7,452

The following table identifies the amount of housing needed to replace housing units removed from the housing stock through demolition or conversion to non-residential uses.

Adding estimated market removals

Housing Need	Market Removals	Basic Construction Need
7,452	264	7,716

The following table identifies new housing construction needs by income group and includes a vacancy factor as shown in the Regional Housing Needs Plan.

New Housing Construction by Income Group 1/1/91 - 7/1/97

Income Group	Units	Percent
Very Low	*2087	28
Lower	969	13
Moderate	1788	24
Above Moderate	2608	35
Total	7452	100

The following table identifies new housing construction needs by income group and includes market removals as shown in the Regional Housing Needs Plan.

New Housing Construction by Income Group 1/1/91 - 7/1/97

Income Group	Units	Percent
Very Low	2087	27.05
Lower	969	12.56
Moderate	1788	23.17
Above Moderate	2608	33.8
Total	7452	96.58
Market Removals	264	3.42
Total	7716	100

F. Housing Resources

Land Availability

As shown above, the county will need to accommodate an additional 7,716 units to provide for all income groups for the period 1/1/91- 7/1/97. To meet the requirements of state law, the county must demonstrate that enough vacant land with the proper zoning and services currently exists, or will exist, to meet this need.

Due to the high cost of land in the county, it is unrealistic to say that a particular parcel of land with residential zoning could potentially accommodate all of the four income groups represented. The county considers only residential multi-family zoned land when accounting for land needed to meet housing needs for the very low and lower income groups, as they are more likely to be able to afford units developed to higher densities. Other residential land (residential single family, residential suburban, residential rural) and land where residential uses are allowed as an accessory use is appropriate to meet the needs of moderate and above moderate income groups.

In 1992, the San Luis Obispo County Planning and Building Department conducted a survey of vacant and partly vacant sites designated Residential Multi-Family by the county Land Use Element. The purpose of the survey was to determine whether enough multi-family land existed to meet the county's regional need for housing for very-low and low income households. Multi-family dwellings are usually the most feasible type of housing for lower-income and very low-income families because they are less costly to develop on a per unit basis.

1991 SURVEY OF SITES ZONED FOR MULTI-FAMILY DWELLINGS

Community	Acres		Dwellings	
	Vacant	Partly Vacant	Existing Dwellings (on partly vacant sites)	Potential New Dwellings
Avila Beach	4.7	1.7	5	161
Cambria	14.8	7.8	5	583
Cayucos	7.6	.5	2	209
Heritage Ranch	60.0	0	0	450
Los Osos	10.0	1.3	8	286
Nipomo	29.4	26.2	39	1,407
Oceano	15.2	1.6	13	424
San Miguel	5.3	3.3	9	215
San Simeon	11.9	6.4	7	268
Templeton	.7	3.4	7	100
Total	159.6	52.2	95	4,103

Note: Except for San Simeon and Heritage Ranch, the residential density applied in these communities was 26 dwellings per acre, as allowed by the county for medium intensity sites in the Residential Multi-Family (RMF) land use category. The density applied in San Simeon was 15 dwellings per acre (low intensity for the RMF category), as allowed in San Simeon by the Coastal Zone Land Use Ordinance. The density applied in Heritage Ranch was 7.5 dwellings per acre, as specifically allowed in Heritage Ranch by the Land Use Element.

According to the county's adopted Regional Housing Needs Plan, the county must accommodate a total of 3,056 new units affordable to very low and low income households. The county's survey of vacant residential multi-family land revealed that a total of 4,103 units can potentially be accommodated based on zoning alone.

In addition to units affordable to very low and low income households, the county must be able to accommodate 4,396 units affordable to moderate and above moderate households and satisfy a need of 264 units for market removals. This totals 4,660 additional units. To evaluate the county's ability to accommodate these units we will look to estimates of population buildout under the current general plan. The following table shows population buildout for the entire county under current zoning designations and potential new units based on 1992 Department of Finance estimates of 2.64 persons per household (rounded to 2.6).

Population Buildout (Unincorporated Area)

Community	Buildout	1990 Population	Difference	Units
Cayucos	4231	2960	1271	488
Baywood/Los Osos	21516	14377	7139	2746
Cambria	15736	5382	10354	3982
San Miguel	3190	1123	2067	795
Santa Margarita	1332	1173	159	61
Templeton	10102	2887	7215	2775
Avila Beach	1721	873	848	326
Oceano	15220	6169	9051	3481
Nipomo	25700	7109	18591	7150
Total	98748	42053	56695	21804
Other Unincorporated	134491	48063	86428	33241
Total	233239	90116	143123	55045

Source: San Luis Obispo County General Plan, 1990 Census

Our previous assumption stated that units affordable to moderate and above moderate households could be accommodated in residential categories such as single-family, residential suburban and residential rural or in other categories where residential uses are allowed. The following table shows the number of potential units for moderate and above moderate income households based on total buildout units minus potential multi-family units.

Potential units for moderate and above moderate income households

Community	Buildout (potential new units)	Potential Multi- Family units (very-low and low income)	Potential moderate and above moderate units
Cayucos	488	209	279
Baywood/Los Osos	2746	286	2460
Cambria	3982	583	3399
San Miguel	795	215	580
Santa Margarita	61	0	61
Templeton	2775	100	2675
Avila Beach	326	161	165
Oceano	3481	424	3057
Nipomo	7150	1407	5743
Total	21804	3385	18419
Other Unincorporated	33241	628 (Includes Heritage Ranch and San Simeon)	32613
Total	55045	4013	51032

Availability of Services

Water and Sewer

Availability of services in the county unincorporated area is monitored by the county's Resource Management System (RMS). The RMS has noted deficiencies in water supply and/or sewage disposal capacity in some of the unincorporated communities. As in the multi-family unit calculations, potential moderate and above moderate units in Baywood/Los Osos cannot be used due to a state imposed wastewater discharge moratorium currently in effect. The county imposed

moratorium that existed in Cayucos between 1985 and 1993 has been rescinded and replaced with a metered amount of development that could allow as many as 159 units over the next three years. Thirty-nine of these units can be multi-family and were counted as potentially available for very-low and low income households. This leaves a potential for 120 units that could be counted towards moderate and above moderate households.

In Cambria, water service letters are issued by the Community Services District (CSD) consistent with the county's growth management ordinance. The district is allowed a 2.3% annual increase in the number of dwelling units. As of November 13, 1992, the CSD estimated 3,308 dwelling units within its boundary. A 2.3% increase would allow 76 additional units per year. Under this limitation, 494 units could be constructed over the 6.5 year planning period covered by the county's regional housing needs plan. This would accommodate a portion of the 583 multi-family units that are potentially available to very-low and low income households.

The community of San Simeon is under a self-imposed moratorium. The community is included under "Other Unincorporated" in the preceding table along with Heritage Ranch. Due to the moratorium, potential units in San Simeon have not been counted.

According to the RMS, the remaining communities are in resource level of severity I or II for water and sewer. This means that capacity is equal to projected demand for the next 5-7 years, which covers the planning period of the Housing Element.

Effect on the development of multi-family units for low and very low income households

If we subtract the multi-family land in the communities with serious resource constraints (Los Osos and San Simeon) from the total and estimate 39 units for Cayucos and 494 units for Cambria, the county could accommodate 2,840 units (figure does not include Heritage Ranch because maximum allowable density is too low) affordable to very low and lower income households. This amount is slightly less (216 units) than the county's projected need of 3,056 units to July 1, 1997. This need could be accommodated by using the projections for secondary dwellings (100) and mobilehomes (250) contained in our development incentives program since these types of units may be affordable to low and very-low income households. In addition, the county is proposing a program to add about 60 acres of medium density (26 units per acre) multi-family designated land to an area near the city of San Luis Obispo. This will potentially accommodate 1,560 additional units.

Effect on the development of units for moderate and above moderate income households

The resource limitations noted above decrease the potential units for moderate and above moderate households. Subtracting out all of Baywood/Los Osos, San Simeon and Cambria, allowing 120 units for Cayucos and 450 units for Heritage Ranch results in 12,583 potential moderate and above moderate units in the communities listed in the tables. Adding the remaining potential units from the "Other Incorporated" category results in 45,196 potential moderate and above moderate units.

The area of the county designated "Other Unincorporated" in the preceding tables includes many small unincorporated communities and larger rural areas. Many of the parcels available for residential development are one acre or larger and do not have community water and sewer service. County ordinances allow parcels one acre or larger to be developed with wells and septic systems.

Schools

Many schools in the county are at or nearing capacity. This problem is being mitigated by countywide school fees which are collected on residential and commercial projects. Lack of school capacity has not been used as a criteria to prevent residential projects.

Roads

Many roads in the county are at capacity or projected to reach capacity in the next two years. To address this problem, fees for road improvements are being collected with building permits, subdivisions and discretionary land use permits in several areas of the county.

Effect of the Growth Management Ordinance on meeting housing needs

As noted under Governmental Constraints in Chapter 2, the county's growth management ordinance limits the number of new dwelling units for a particular year to 2.3% of the most recent estimates of unincorporated area housing units by the state Department of Finance. Since the growth management ordinance exempts all low and moderate income units, it does not prevent the county from reaching its housing needs for these income groups.

Based on the formula noted above, the ordinance would have allowed 800 units for above moderate income households to be constructed in 1991. This number would be slightly larger in succeeding years as the unincorporated area's total housing units increased. Using only a straight line projection, a total of 5,200 (6.5×800) above moderate units could be constructed under the growth management ordinance for the 6.5 year period covered by the county's Regional Housing Needs Plan (1/1/91 to 6/7/97). This far exceeds the county's projected combined above moderate and market removal housing needs (2,872 units) for this period. These numbers are conservative in that they do not consider yearly increases in housing units or exemptions allowed in the growth management ordinance, particularly, vesting tentative maps. Since the growth management ordinance was adopted in October of 1990, the county has not reached its growth limit in any year. For example, in 1992, approximately 30% of the allowed residential allocations were used

The growth management ordinance will not prevent the county from reaching its regional needs for the planning period covered by the Housing Element. Since units for very-low, low and moderate income households are exempt, the ordinance will not prevent any of these units from being constructed. In addition, the units for above moderate income households allowed under the ordinance far exceed the county's regional share for this income group.

Sites for Homeless Shelters

Currently, the only official, year-round, homeless shelter in the county is located in the City of San Luis Obispo. This shelter can only accommodate a portion of the county's estimated 1,960 (1990 survey) homeless men women and children. In both Atascadero (city) and San Luis Obispo (city) churches offer overnight shelters in the winter. Although no prospective sites have been proposed for the unincorporated area, the county general plan allows shelters in several land use categories.

In the county's inland general plan, shelters are allowed in the following land use categories: agriculture, rural lands, all residential categories, the office and professional category and the public facilities category. In the county's coastal plan shelters are allowed in the following categories: rural lands, all residential categories, the office and professional category and the public facilities category. In both plans, shelters for more than six persons require a discretionary use permit that is subject to Planning Commission approval. As an incentive to development of shelters, the county can offer expedited permit processing based on their serving a low income housing need.

Conversion of Assisted Housing Units

State law requires identification of multi-family housing units that have received assistance from specific federal and state programs and are eligible to convert to market rate units within the next 10 years. After researching county records and talking with local housing providers that use federal and state programs, we have concluded that the unincorporated area of the county does not currently have any units that fit the requirements for identification. The research included projects assisted through the Community Development Block Grant program and density bonus program. The county does not have redevelopment, inclusionary housing or in-lieu fee programs that have resulted in the development of multi-family housing.

Housing in the Coastal Zone

Section 65588 of the Government Code requires the following information about housing in the coastal zone:

- . Approximately 2,612 housing units were approved for construction within the coastal zone between January 1, 1982 and December 31, 1992.
- . Approximately 52 housing units were required to be provided for persons of low or moderate income in new housing developments within the coastal zone or within three miles of the coastal zone pursuant to Government Code Section 65590.
- . Approximately 83 housing units in the coastal zone were authorized for demolition between January 1, 1982 and December 31, 1992.

No housing units were required to replace the demolished units

The new housing constructed in the coastal zone during the period in question was predominately single family detached. A limited amount of small multi-family projects (usually 2-6 units) were also constructed and findings were made that affordable housing was infeasible in these projects. Very few larger projects (10+ units) were constructed.

Increasing the supply of affordable housing

In an effort to increase the supply of housing units affordable to families in the low and moderate income groups, the county has applied for and received funding through the state Community Development Block Grant program for an affordable housing strategy study. The study, which was recently completed, looked at various strategies the county can use to increase the number of units constructed that are affordable to these income groups. The study includes programs designed to establish pools of money, such as housing trust funds, and programs to directly increase supply, such as inclusionary housing.

State law requires the county to provide quantified objectives for the planning period of the Housing Element. The objectives must be provided for new construction, rehabilitation and conservation (preventing the conversion of housing to other uses). The following table establishes quantified objectives for the planning period covered by the element.

Quantified Objectives (Housing Units)

Income Level	New Construction	Rehabilitation	Conservation *
Very Low	2087	30	239
Low	969	20	385
Moderate	1788	350	0
Above Moderate	2608	250	0

* The county does not keep statistics on the number of moderate and above moderate income housing units that exist in the unincorporated area. The conversion of housing units to other uses is not encouraged by the county. In the coastal zone, replacement units are required to be provided when low and moderate income units are converted to other uses.

Currently the county depends on the competitive state Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) programs for funds to assist with the development, rehabilitation and conservation of housing units for low and very low income households. Availability of these funds will affect our ability to meet our objectives for these

income groups. In addition, our ability to meet our objectives will be affected by the private housing market.

G. Opportunities for Energy Conservation

According to the California Energy Commission, average residential electricity and natural gas bills increased significantly between 1988 and 1991. Based on information provided in Pacific Gas and Electric Company's annual report (1991) electricity bills increased 31.8% while though average household consumption decreased 1.8%. Natural gas bills increased 21.8% between 1988 and 1991, while average household consumption was unchanged.

Energy conservation in residential development can be encouraged in the following ways:

1. Increased energy efficiency in new dwellings.

All new dwelling units in San Luis Obispo county must comply with the current state standards for energy efficiency in residential units. These standards could be increased at the local level, however, this could also increase the cost of the units and reduce affordability.

2. Rehabilitation of existing units to increase energy efficiency.

San Luis Obispo county has operated several housing rehabilitation programs focused on improving the condition of the housing stock. These improvements have also resulted in energy savings for the owners of these units.

3. Locating residential development closer to employment.

This results in reduced oil and gas consumption, reduced air pollution and less overall congestion by reducing commuting distances. San Luis Obispo county's general plan encourages residential development in urban areas, close to sources of employment.

The county is currently working on a comprehensive energy plan for the area. This plan will emphasize energy conservation and promote greater energy efficiency.

CHAPTER 4: HOUSING OBJECTIVES, POLICIES AND PROGRAMS

A. INTRODUCTION

San Luis Obispo County sets a high priority on satisfying the housing needs of its residents. Housing problems are not unique to this county and some are created by national and international decisions. While local action may have little impact on national affairs, many housing problems can be alleviated locally. This chapter describes the detailed objectives of this Housing Element and the official policies of San Luis Obispo County on housing. Also described are programs (specific actions intended to solve or alleviate particular housing problems) that can be initiated by local action, though state and federal funds may be used.

The housing programs recommended in this plan were formulated on the basis of the following factors: 1) the potential of the program to reach current county residents who most need it; 2) the relative cost to begin and continue the program; 3) the ability of the program to operate without significant adverse affects on other aspects of the housing market; and 4) the extent to which the program avoids long-term negative impacts. The scale and resulting cost of each program must be decided based upon the funds and other resources available at the time each program is initiated. Some of the programs will also require enactment of specific laws and formal public hearings by the county before they can be implemented.

The programs are intended to provide direction and a course of future action for involved county departments and other agencies. The Housing Element is not intended to mandate the commencement of new programs or the expansion of existing ones that may require additional staff or funds. Any programs identified in this chapter that would require additional funding by the county or other agency must have such funds approved through the appropriate budgetary process as fiscal resources permit and must also be authorized by implementing ordinances where necessary.

Consumer input is also important in designing and operating housing programs. Although balanced citizen input is often elusive, it is always beneficial in programs that directly affect people. Different types of programs require different methods of input. Citizen participation is so important that the county will seek the most effective methods that resources allow.

If the following programs fail to produce expected results by the time the Housing Element is formally reviewed, the county will consider new programs and possible modifications to existing programs.

Each section has one objective stating what the county expects to accomplish. The objective is followed by one or more policies addressing the issue. Following the objectives and policies are programs designed to implement the objectives.

B. COUNTY HOUSING OBJECTIVES AND POLICIES

OBJECTIVE A: The county will work diligently toward the provision of an adequate housing supply for all residents and that such supply be unrestricted as to age, race, sex, marital status, ethnic background, other arbitrary factors, unnecessary government controls, requirements or restrictions, or economic constraints.

The most important purpose of the Housing Element is to provide a policy guide for working toward solution of local housing problems. To that end, this first objective has two components: an adequate supply of all types of housing; and elimination of social and economic barriers to satisfying housing needs. Although state and federal laws restrict housing discrimination, there is still concern that some may have difficulty finding housing because of discrimination. The county and other local agencies can have a positive influence on such problems, and Housing Element programs that increase the availability of housing or reduce its cost tend to also reduce discrimination. As vacancy rates increase, owners or managers usually become less concerned about to whom they rent or sell.

HOUSING SUPPLY POLICIES

1. **Fair Share Allocations.** Through the San Luis Obispo County Council of Governments , the county will work with each community toward equitable regional distribution of housing for all income groups.
2. **Land Use Controls.** Land use controls should not to be used to seriously delay, prevent or otherwise adversely affect the supply or cost of housing for all income levels, except where legal or resource limitations occur in each community.
3. **Assisted Housing - Disadvantaged Groups.** Assisted housing should include special provisions for the elderly, handicapped and disabled in communities where such groups are unable to meet their housing needs.
4. **General Plan Amendments - Effect on Housing.** Consideration of all general plan amendments will include careful evaluation of their potential impacts on an adequate supply of housing for all income groups.
5. **Development Requirements - Reevaluation.** Existing and proposed county development requirements, ordinances and processing times should be evaluated

to determine their effects on housing production costs, and should be modified or eliminated when such requirements are determined to substantially increase cost and their modification or elimination would not seriously jeopardize public health, safety or welfare.

6. **Assistance Requests.** Available federal, state and local sources of funding that could assist in providing and preserving housing for low- and moderate-income households should be pursued.
7. **Alternative Forms of Housing.** The county should encourage exploration of alternatives to traditional forms of housing and methods of supplying housing, especially by the private sector.
8. **Development Review - Ongoing Costs.** Energy saving construction, transportation costs, maintenance and other factors contributing to total monthly housing costs should be reviewed in all housing projects.
9. **Assisted Housing - Long Term Affordability** Any housing made available at artificially low prices through direct government assistance will be subject to provisions of the county Land Use Ordinance assuring long term affordability of the housing stock.
10. **Home Improvement Encouragement.** The county should encourage upward mobility through individual home owner efforts to increase property value through home improvements.
11. **Equal Opportunity.** The county will support efforts to eliminate discrimination in housing with regard to race, color, religion, national origin, sex, age, or family status.
12. **Resolving Conflicts - Landlords and Tenants.** The county will support resolution of problems and conflicts between landlords and tenants.
13. **Developer Assistance.** To facilitate development of new low- and moderate-income housing, the county will offer technical, permit processing and grant application assistance to developers or sponsors who wish to provide such housing.

OBJECTIVE B: Take all practical, reasonable, affordable and appropriate steps to develop home ownership opportunities for all county residents.

Home ownership offers a degree of security not available to renters, since the owner is generally free from arbitrary eviction and may change the building to meet family needs. Probably as

important as the actual security of ownership is a sense of pride. While ownership is not affordable for many, it may still be cheaper than home rental on a long-term basis because of equity advantages. The equity in a house can exceed the actual cost, assuming reasonable terms on a sound house and a strong resale market. Because such advantages do not become "usable" until a house is sold, however, many families still cannot afford to own their homes.

Although the detached, single-family residence is the most common dwelling type under individual ownership, there are other kinds of ownership housing that can be more attractive to the individual as well as the county. Besides being generally less expensive; mobilehomes on individual lots, condominiums and cooperative apartments can be more efficient users of land, roads and other public services.

OWNERSHIP OPPORTUNITY POLICIES

County housing policies that address opportunities for home ownership are included under Objective A.

OBJECTIVE C: Take all practical, reasonable, affordable and appropriate steps to encourage an adequate supply of sound rental housing in all price ranges.

Many people will not be able to buy houses even with assistance programs. Others do not wish to own a home because of personal preference or the short-term nature of their stay in one place. For such people it is important to keep a reasonable number of rental units available. This need varies by community, but generally is greater near employment centers and where services are readily available.

RENTAL SUPPLY POLICY

The county recognizes the need for rental housing and will support programs to work toward an equitable balance of rental and owner-occupied housing.

OBJECTIVE D: To encourage and promote, to the degree feasible and practical, the preservation and rehabilitation of the existing housing supply.

Because new construction increases housing supplies by only three to four percent annually, special efforts are needed to assure that existing housing remains in good condition. Housing for lower and fixed-income individuals is often most in danger of becoming uninhabitable.

Although most aid programs are aimed at low- and moderate-income housing, the entire community would benefit from maintaining neighborhoods in sound condition.

Continued maintenance of a home is the least costly way of assuring a long building life. Even the lowest income family can accomplish much useful maintenance if they are aware of the techniques. Minor rehabilitation such as roofing repair, complete painting or glass replacement may create financial hardships, but such efforts are necessary to stop rapid deterioration of a structure. More extensive rehabilitation (such as structural work, insulating or plumbing replacement) is even more expensive, but still costs less than replacing the house.

POLICY FOR MAINTAINING EXISTING HOUSING

Incentives for Improvement.

Incentives and assistance should be provided by the appropriate agency or private group to support upgrading rental units and homes to building code standards.

POLICIES FOR RELOCATION

1. Wherever possible the county will avoid capital improvement projects that eliminate dwellings and require relocation of residents.
2. In county projects that make residential relocation unavoidable, the county will offer relocation services before displacing residents.

OBJECTIVE E: To promote optimum use of residential land near employment, shopping, transportation, social services and other public services.

The location of housing is almost as important as the availability of housing. Many residents cannot afford to drive long distances to work or services. Even those who are physically and economically able to drive long distances should be able to live near their work if they choose. The availability of jobs and services should be considered in locating new housing and consideration should be given to the availability of housing when reviewing proposals for new facilities by major employers.

HOUSING LOCATION POLICIES

1. Development should be encouraged in new and existing subdivisions within the urban and village areas designated in the Land Use Element and contiguous extensions of these areas rather than scattered rural residential development. This

is not intended to discourage development of existing lots in rural areas as homesites.

2. Capital improvement program priorities should be reviewed in relationship to adequate services for new housing.
3. General plan amendments and land use regulations should provide for greater residential densities near employment and public service areas.
4. Current community resources should be inventoried and the county should strive to ensure that adequate water, wastewater treatment and other services exist or are specifically scheduled to meet housing needs.
5. Major generators of housing need (such as Cal Poly and large employers) must accept responsibility for the needs they create and actively participate in providing housing. In turn, each community near such housing need generators must allow for additional housing.

C. HOUSING PROGRAMS

Program: Public Education on Housing (existing, expanded)

Purpose: Provide information to interested parties on various state and federal loan and grant programs which are available for housing. Meet with building representatives to discuss the value of innovation in residential construction and establish procedures for incorporating new techniques into projects. Prepare written guidelines to help owner builders construct their own residences. Hold annual workshops with interested community groups and lenders to discuss federal, state and local housing programs. Lobby the state and federal governments to continue programs which provide maintenance and development assistance for affordable housing (Examples: Tax Credit programs, Community Development Block Grant program).

5 year goal: The program will result in better communication between the public and private sectors in areas of mutual benefit such as: 1) reducing the cost of housing using new construction techniques and 2) helping to encourage additional affordable housing by making more people aware of potential grant programs.

Agency: Planning Department/People's Self Help Housing Corp.

Financing: General fund support to the Planning and Building Department budget

Schedule: Ongoing

Program: Monitor Development Requirements (existing, expanded)

Purpose: Monitor adopted and proposed development requirements and processing procedures to determine their effect on housing production costs. Consider modification or elimination of those that may add to housing costs without providing public benefit.

5 year goal: Eventual elimination of requirements which primarily increase housing costs without providing other benefits.

Agency: Planning and Building, Environmental Coordinator's office, Engineering, Fire and Environmental Health departments

Financing: General fund support to department budgets

Schedule: Ongoing

Program: Housing Task Force (existing)

Purpose: Identify and recommend solutions to housing problems in the county. Assist county staff in updating the Housing Element. Advise county decision makers on specific housing programs.

5 year goal: The Housing Task Force will help insure that housing issues are identified and evaluated in an expedient manner.

Agency: Planning and Building Department

Funding: General fund support to department budget

Schedule: Ongoing

Program: Development Incentives (existing)

Purpose: Encourage affordable housing by providing: 1) a density bonus for projects providing specified amounts of units for low income, very-low income and senior households, 2) a simplified permit process for farmers and ranchers who wish to establish group quarters or individual dwellings for farmworkers, 3) regulations allowing mobilehomes in all land use

categories where conventional single family or multi-family dwellings are allowed, 4) an allowance for secondary dwellings with size limits that will result in affordable rents, 4) an allowance for residential units in commercial developments and 5) expedited processing of applications for affordable projects.

5 year goal:	Density bonus-	20 units
	Farmworkers group quarters-	2 units (40 individuals)
	Secondary dwellings-	100 units
	Mobilehomes	250 units
	Residential in Commercial	10 units

Agency: Planning and Building

Funding: Department Budget

Schedule: Ongoing

Program: Affordable Housing Mitigation Fee (existing)

Purpose: To provide funds for payment of the countywide public facilities fees for affordable housing units. An affordable housing unit is any unit selling for less than three times the county median income for a family of four or renting for not more than the fair market rent. The fees are charged on the market rate lots at the time of recordation of new subdivisions and parcel maps. The amount of the fee is 3.5 percent of the public facilities fee. The funds may be used to assist affordable housing throughout the county.

5 year goal: Payment of public facilities fee for approximately 50 affordable housing units.

Agency: Planning and Building Department, Auditor

Funding: Per lot/parcel fee is collected on recordation of new subdivisions and parcel maps. The money is collected in a trust fund.

Schedule: Ongoing

Program: Section 8 rental housing assistance (existing)

Purpose: Provide rent subsidy to low income households. This includes large families, farmworkers and handicapped individuals. The current program has benefited large families and farmworkers through assistance requests for larger units.

5 year goal: The Section 8 allocation countywide has increased 60-70 units per year for the past 17 years. Individuals and families with section 8 vouchers may locate anywhere in the county. This makes it difficult to predict how many will locate in the unincorporated area.

Agency: Housing Authority of San Luis Obispo, County Administrative Office

Funding: Federal Government

Schedule: Ongoing

Program: **Land acquisition for homeownership by low and very-low income households and land acquisition for affordable rental housing (existing, expanded)**

Purpose: To assist very-low and low income households acquire residential lots for the construction of owner built and occupied single family dwellings. To acquire land for construction of affordable rental housing. In the current program, the county is providing funding from the state Community Development Block Grant program to buy down the cost of lots for individual single family units for very-low income households. The funds are a loan by the county to the families secured by a trust deed on the properties in question. The program benefits many farmworker and large family households.

5 year goal: To assist 60 households

Agency: Planning and Building Department, People's Self Help Housing Corp.

Funding: State Community Development Block Grant program

Schedule: 25 households assisted in 1992/1993. Seventeen households to be assisted in 1994/1995

Program: **Rental housing acquisition and rehabilitation (existing, expanded)**

Purpose: To acquire and rehabilitate (if necessary) multi-family rental housing to be occupied by very-low and low income households. Funding has been

secured through the Home Investment Partnership (HOME) Program, California Housing Rehabilitation Program (CHRP) and the California Community Reinvestment Corporation (CCRC) to purchase 76 units. The county sponsored the HOME application and will pass those funds through to the project. Funding for future projects may come from the HOME program or the Community Development Block Grant (CDBG) program.

5 year goal: To acquire 100 units.

Agency: Planning and Building Department, Non-profit corporation

Funding: Federal Home Investment Partnership Program, Community Development Block Grant Program

Schedule: 76 units will be acquired in 1994

Program: Housing Rehabilitation and Preservation (proposed)

Purpose: To assist low and very-low income homeowners maintain and improve their dwellings. Loans are expected to range from \$5,000 - \$20,000 and will be secured by a trust deed on the property. Homeowners with qualifying incomes or owners of rental units occupied by low and very-low income renters will qualify for assistance.

5 year goal: Assist 50 households

Agency: Planning and Building Department

Funding: Program income (CDBG), new grant applications, housing trust fund

Schedule: Operational by 1994

Program: Housing Trust Fund (proposed)

Purpose: Provide a source of funds for the development, preservation and improvement of affordable housing.

5 year goal: Assist as many county residents as possible. The number will depend on amount of funds available.

Agency: Planning and Building Department, Auditor

Funding: Funds collected from repayment of county loans on affordable housing units. Program income from county Community Development Block Grant programs. Income from proposed inclusionary housing program.

Schedule: 1995

Program: **Inclusionary Housing Program (proposed)**

Purpose: Provide additional affordable housing units to help meet the county's regional housing needs for units affordable to the very low, low and moderate income groups. The program will require residential developments of a certain size to include a percentage of units affordable to the targeted income groups or pay an in-lieu fee for each market rate unit constructed.

5 year goal: Assist in the development of 100 affordable units

Agency: Planning and Building Department

Funding: Department budget to develop an ordinance

Schedule: The county is currently examining the feasibility of an inclusionary housing program through a study funded by the state Community Development Block Grant program. The results of this study and a draft inclusionary ordinance will be presented to the Board of Supervisors in the summer or fall of 1993. If the Board elects to proceed with the program it should be in effect in 1994.

Program: **First Time Homebuyers program (proposed)**

Purpose: Provide downpayment assistance to low and very-low income households to increase the opportunity for homeownership among these income groups. The assistance would likely be in the form of a low interest, long term, loan.

5 year goal: To assist as many first time homebuyers as possible. The number to be assisted depends on the amount of funds available.

Agency: Planning and Building Department/Auditor

Funding: Federal housing programs (HOME), Housing Trust Fund

Schedule: 1996

Program: Alternative Dispute Resolution Program (proposed)

Purpose: To provide assistance to county residents involved in housing related civil disputes. This would include landlord/tenant disputes and housing discrimination complaints. Currently, the Small Claims Advisor provides some information to residents involved in landlord/tenant disputes. This may include information on procedures for filing a case in small claims court. Persons seeking legal advice are referred to California Rural Legal Assistance, if they are low income. Those who aren't low income are advised to consult with a private attorney. Housing discrimination complaints are referred to the State Department of Fair Employment and Housing in Ventura.

5 year goal: This program will potentially benefit many county residents with housing problems, especially those with low and very-low incomes who often cannot afford professional legal advice.

Agency: County Administrative Office, contractor

Funding: A portion of the filing fee for civil cases. The fund has already been established.

Schedule: Depends on when sufficient funds are available from the financing source. Should be operational in 1994. The program will be promoted countywide through advertisements in newspapers and fliers posted in public buildings. If program start-up is delayed, the county will insure that availability of existing resources are similarly publicized.

Program: Transfer of Development Credit Program (proposed)

Purpose: To allow property owners in rural areas to transfer residential development rights to higher density urban areas. This is accomplished through sale of development credits.

5 year goal: The program should lead to additional residential development in urban areas; amount is unknown at this time. The amount of affordable housing development that may result is unknown.

Agency: Planning and Building Department, contractor

Funding: General fund support to the Planning and Building Department budget

Schedule: 1995

Program: Permit Processing Streamlining Committee (proposed)

Purpose: Review the entire development permit process (all agencies) with an emphasis on inter-agency review. Examine ways to streamline the permit process between agencies and achieve better inter-agency coordination. Look for ways to provide developers with information on as many requirements as possible in advance. Include agency staff, developers (for profit and non-profit) and other interested parties on the committee.

5 year goal: This program will result in better coordination among agencies reviewing development permits. Processing times will be reduced for discretionary permits.

Agency: Planning and Building Department, Administrative Office, Environmental Coordinator's Office, Engineering, Fire and Environmental Health

Funding: General fund support to department budgets

Schedule: 1994

Program: Additional Land For Multi-Family Residential Development (proposed)

Purpose: Provide additional multi-family zoned land with minimum densities of 25 units per acre to meet the county's need for housing units affordable to low and very low income households. To provide multi-family land near an area of future job growth to address the need for a more equitable jobs/housing balance in the county.

Five Year Goal: To provide approximately 60 acres of multi-family designated land.

Agency: Department of Planning and Building/

Funding: Department Budget/General Fund/County Service Area 22

Schedule: A draft plan (San Luis Obispo Area Plan) is currently in process. This should be completed in 1994.

Program: Monitor the county's growth management ordinance

Purpose: To determine if the growth management ordinance prevents the county from meeting its regional need for low and moderate income housing units

by limiting mixed income projects in years when the growth cap on above moderate units is reached.

5 year goal: To ensure that the production of low and moderate income housing units, as projected by the county's regional housing needs plan, is not hindered by any limitations the growth management ordinance places on mixed income projects in years when the growth cap on above moderate units is reached. The Board will initiate an amendment to the growth management ordinance to address mixed income projects, if it is determined that the ordinance limits the county's ability to meet its regional housing need for low and moderate income housing units.

Agency: Department of Planning and Building

Funding: Department Budget

Schedule: 1993

D. IMPLEMENTATION OF THE COUNTY HOUSING PROGRAM

The programs of this general plan element reflect the intention of San Luis Obispo County to assist in relieving local housing problems. Carrying out these programs will require cooperation between county and city governments, various state and federal agencies, local groups, private business people, private industry and citizens throughout the county. While county government cannot require cooperation, it can encourage efforts to help solve existing problems and avoid creating new problems.

The county will prepare and adopt ordinances as indicated in the section on programs. The necessary steps will be taken to reorganize operations that unnecessarily increase housing problems. The county will also continue to monitor the housing situation and amend this plan whenever needed. Formal review and update of this plan will occur at least every five years.

The location of housing in the county is important for reducing housing problems. Elderly people need (and usually prefer) to be close to urban services. Younger people also need those services but also want to be closer to their jobs. Every effort will be made to ensure that each community is accessible to people who want to live there regardless of their social or economic condition. Some communities are limited in the number of residents their resources can supply; however, this should not be allowed to create a situation where lower income families cannot compete for housing in those communities.

E. CONTINUED CITIZEN PARTICIPATION

Citizen participation has been and will continue to be an important facet of the county's planning effort. The identification of housing problems, issues and concerns as well as the element's problem-solving strategy were developed with the assistance of the Housing Task Force, individual citizens, various county government departments, and several public and private sector providers of housing and related services. Throughout the Housing Element development and adoption process, input was received at citizen participation community meetings and a variety of housing task force, Planning Commission, Board of Supervisors and Council of Government housing study sessions and public hearings.

Citizen involvement will continue to be important as the Housing Element's policies and programs are implemented and as future policies and programs are developed during the annual review process and five-year update.

Citizen involvement may include, but will not be limited to: flyers; news releases to local media; legal notices published in local newspapers; notification of interested agencies and groups; community meetings, media interviews, panel discussions and workshops; and Planning Commission and Board of Supervisors study sessions and public hearings. The county will also strive to develop new and cost-effective ways of facilitating citizen involvement.

In addition, many Housing Element programs will require individual citizen participation efforts. For example, some programs may be funded through Community Development Block Grant funds and will require community meetings as well as public hearings. Other programs requiring individual citizen participation efforts include creation of a housing authority, establishment of an affordable housing task force, and preparation of community plans. In addition, any programs identified in the Housing Element that require additional county funding or funding by another agency will involve public hearings and must have such funding approved through the appropriate budgetary process. Furthermore, these programs often will require implementing ordinances and public hearings.

F. REVIEW OF PREVIOUS POLICIES AND PROGRAMS

State law requires the local jurisdictions to evaluate previous policies and programs as part of the Housing Element update. The purpose of this evaluation is to monitor the extent to which the policies and programs have been implemented and their relative effectiveness.

The county has been successful in its efforts to provide assistance to low and moderate income homeowners, renters and buyers. Since 1986, the county has been awarded several grants from the state Community Development Block Grant program targeting these income groups. They include:

- 1986 - \$518,000 for the rehabilitation of 25 homes in Nipomo.
- 1987 - \$600,000 for the rehabilitation of 32 homes in the communities of Callender-Garrett, Creston, Garden Farms, San Lawrence Terrace, San Miguel, Santa Margarita, Shandon, Templeton, and Whitley Gardens. (The 1989 CDBG proposal would extend this program to rehabilitate 25 additional homes.)
- 1988 - \$600,000 for the acquisition of 29 apartments in Los Osos, to be operated as rental housing for lower-income households for at least 30 years.
- 1989 - \$499,986 for the rehabilitation of 25 additional dwellings in the nine communities target by the 1987 grant.
- 1989 - \$30,000 for a study of farm worker housing needs.
- 1990 - \$30,000 for a study of mobilehome park conversions.
- 1991 - \$30,000 for study to develop an affordable housing strategy for the county.
- 1991 - \$484,500 for mortgage assistance for land acquisition to assist 17 very low income households.
- 1992 - \$500,000 for mortgage assistance for land acquisition to assist 17 very low income households.

In some instances, the county has exceeded the projections of specific applications. For example, 29 housing units were rehabilitated in the 1989 program and 25 households have been assisted in the 1991 mortgage assistance program, to date.

The farmworker housing study resulted in amendments to the county land use ordinance that simplify the permit process for farmworker housing group quarters. Recommendations from the mobilehome park study and recently completed (June 93) affordable housing strategy study are expected to result in additional ordinance revisions and programs to assist in the development of affordable housing. Two recommendations from the affordable housing strategy study, the Housing Trust Fund and the Inclusionary Housing program, are incorporated into this update of the Housing Element as proposed programs. The Housing Element will be amended to reflect any additional programs resulting from these studies.

Other actions the county has taken that will benefit housing (especially affordable housing) include changes in the permit review process (March of 1993) that will result in significantly reduced processing times for new residential projects. Staff has estimated an average reduction in processing time for discretionary projects of 4 months. This should result in a 6 month

processing time (from application acceptance to project approval) for parcel maps, tract maps and development plan projects receiving a negative declaration and one year if an environmental impact report is required. The county's goal for processing site plans and minor use permits is 2-3 months and 3-4 months respectively.

Also, the county has revised its standards for affordable housing projects where long term affordability of the units is required. The new standards will make it easier to get private financing for these projects by eliminating the previously required 30 year agreement. Instead, a trust deed in favor of the county is used to insure long term affordability.

Where quantification of the county's housing programs is possible, results show that the county has made significant progress in achieving previously established housing goals. The following table shows the results of programs that lend themselves to quantification.

Program	Estimated number of households to benefit (1986-1992)	Households benefiting
Allow additional mobilehomes	70-100	334
Self-Help Construction	70-100	25
Help owner builder	100-200	unknown
Section 8 assistance	200	234
Second units	50	84
Community Development Block Grant Rehab.	245	84
Reduced Interest Loan	50-75	0
Weatherization Program	1700	1500
Total	1990-2670	2261

The results of all of the county's previous policies and programs are discussed below. In the updated element, the most effective programs have been retained, ineffective programs were deleted and new programs have been added. This was done to allow greater emphasis on programs that will result in increased development, rehabilitation and maintenance of affordable housing.

OBJECTIVE A: The county will work diligently toward the provision of an adequate housing supply for all residents and that such supply be unrestricted as to age, race, sex, marital status, ethnic background, other arbitrary factors, unnecessary government controls, requirements or restrictions, or economic constraints.

HOUSING SUPPLY POLICIES

- 1. Fair Share Allocations.** Through the San Luis Obispo Area Coordinating Council, the county will work with each community toward equitable regional distribution of housing for all income groups.

Results: On November 6, 1991, the San Luis Obispo County Council of Governments adopted the Regional Housing Needs Plan for San Luis Obispo county. The process involved consultation with each community to achieve an equitable distribution of housing for each income group.

- 2. Land Use Controls.** Land use controls should not to be used to seriously delay, prevent or otherwise adversely affect the supply or cost of housing for all income levels, except where legal or resource limitations occur in each community.

Results: In 1988, the County of San Luis Obispo was granted the authority to issue coastal development permits by the Coastal Commission. In some cases the time consuming and complex coastal permit process delayed the development of housing. Through ongoing amendments to the local coastal plan, the county has made substantial progress in reducing these delays. The county has also made progress in reducing the time need to process subdivisions and farmworker housing group quarters projects through recent amendments to the general plan.

- 3. Assisted Housing - Disadvantaged Groups.** Assisted housing should include special provisions for the elderly, handicapped and disabled in communities where such groups are unable to meet their housing needs.

Results: The County currently has provisions to encourage developers to include units affordable to very low and low income households in residential projects. To the extent that elderly, handicapped and disabled individuals are in these income groups, their needs are partially served.

4. **General Plan Amendments - Effect on Housing.** Consideration of all general plan amendments will include careful evaluation of their potential impacts on an adequate supply of housing for all income groups.

Results: In reviewing general plan amendments the county evaluates the impact of the amendment on all future development, including the development of housing.

5. **Development Requirements - Reevaluation.** Existing and proposed county development requirements, ordinances and processing times should be evaluated to determine their effects on housing production costs, and should be modified or eliminated when such requirements are determined to substantially increase cost and their modification or elimination would not seriously jeopardize public health, safety or welfare.

Results: The County has made progress in evaluating existing and proposed development requirements, ordinances and processing times. Since 1982, there have been two committees formed to examine ways to streamline ordinances and permit processes. This has resulted in positive changes to the way projects are processed through the County. Recently a major package of amendments was approved by the Board of Supervisors to streamline the subdivision review process.

6. **Assistance Requests.** Available federal, state and local sources of funding that could assist in providing and preserving housing for low- and moderate-income households should be pursued.

Results: For the last several years, the County has received funding for a variety of projects serving low and moderate income households through the Community Development Block Grant Program. Since 1986, the county has used CDBG funds to assist 84 families rehabilitate their units and 25 households purchase units in a self-help housing project.

7. **Alternative Forms of Housing.** The county should encourage exploration of alternatives to traditional forms of housing and methods of supplying housing, especially by the private sector.

Results: The County has had discussions with individuals and groups interested in alternatives to traditional forms of housing. These discussions primarily

focused on co-housing. To date, there has not been a co-housing project submitted to the County for processing.

- 8. Development Review - Ongoing Costs.** Energy saving construction, transportation costs, maintenance and other factors contributing to total monthly housing costs should be reviewed in all housing projects.

Results: Currently, all housing projects are required to meet residential energy standards as set forth in Title 24 of the California State Administrative Code.

- 9. Assisted Housing - Resale Control.** Any housing made available at artificially low prices through direct government assistance will be restricted in resale to eliminate excessive price increases above improvement costs and inflation.

Results: The County requires housing made available at lower prices through direct assistance such as a density bonus or housing qualifying for an exemption from Title 26 (Growth Management) to remain affordable to very low, low and moderate income households for a period of thirty years. Rather than resale controls, which often conflict with lender's requirements, the county captures a portion of the housing value to insure continued affordability of the units.

- 10. Home Improvement Encouragement.** The county should encourage upward mobility through individual home owner efforts to increase property value through home improvements.

Results: The County has received several Community Development Block Grants which provided funds for housing rehabilitation. The improvements made with these funds generally increase the value of the homeowner's property.

- 11. Equal Opportunity.** The county will support efforts to eliminate discrimination in housing with regard to race, color, religion, national origin, sex, age, or family status.

Results: The county Small Claims Advisor in the District Attorney's office advises tenants and landlords regarding conflicts and discrimination complaints. California Rural Legal Assistance also handles some complaints. The county promotes equal opportunity and fair housing by assisting lower income and minority households through the Community Development Block Grant program, offering density bonuses for affordable housing projects, requiring affordable housing units in the coastal zone and by

exempting low and moderate income units from the growth management ordinance.

- 12. Resolving Conflicts - Landlords and Tenants.** The county will support resolution of problems and conflicts between landlords and tenants.

Results: The County small claims advisor in the District Attorney's office and California Rural Legal Assistance handle complaints from tenants and landlords regarding conflicts and discrimination.

- 13. Developer Assistance.** To facilitate development of new low- and moderate-income housing, the county will offer technical, permit processing and grant application assistance to developers or sponsors who wish to provide such housing.

Results: The County Department of Planning and Building offers permit processing, grant application and limited technical assistance to developers of very low, low and moderate income housing.

HOUSING SUPPLY PROGRAMS

- A1: THE COUNTY WILL ENCOURAGE DESIGNERS AND BUILDERS TO USE 30-INCH OR WIDER DOORWAYS IN ALL HOUSING.**

Results: Although not required, 30-inch doorways are standard for most interior doors. The county recommends doorways of at least 30 inches in residential projects. The county also enforces provisions of the Americans with Disabilities Act of 1990 with regard to housing construction.

- A2: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE LOCAL AGENCY OR GROUP TO HANDLE DISCRIMINATION COMPLAINTS AND RESOLUTION OF PROBLEMS AND CONFLICTS BETWEEN LANDLORDS AND TENANTS.**

Results: The county small claims advisor in the District Attorney's office advises tenants and landlords regarding conflicts and discrimination complaints. Some complaints are handled by California Rural Legal Assistance.

- A3: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE AGENCY TO ORGANIZE PUBLIC EDUCATION ON HOUSING.**

Results: The county Department of Planning and Building provides housing information to the public when possible. A local non-profit, Peoples' Self Help Housing Corporation (PSHHC), provides additional information through an agreement between PSHHC and the County.

A4: THE COUNTY WILL ESTABLISH A PROGRAM TO INFORM GOVERNMENT EMPLOYEES, LENDING INSTITUTIONS, CONTRACTORS AND OTHERS WHO INFLUENCE HOUSING CONSTRUCTION OF THE VALUE OF INNOVATION IN HOUSING CONSTRUCTION TECHNIQUES.

Results: The county provides information on construction techniques, if requested. A formal program has not been established.

A5: THE COUNTY WILL URGE STATE AND FEDERAL GOVERNMENT TO CONTINUE TAX INCENTIVE PROGRAMS TO ENCOURAGE MORE ENERGY-EFFICIENT HOUSING.

Results: In the past, homeowners could claim credits on their tax forms for making energy saving improvements to their residences. These tax credit programs for residential energy conservation have now been mostly phased out.

A6: THE COUNTY WILL DEVELOP AN ENERGY POLICY PLAN TO ADDRESS LOCAL ENERGY ISSUES.

Results: The county is currently working with a consultant on an energy plan to address local energy issues.

A7: THE COUNTY PLANNING AND ENGINEERING DEPARTMENTS WILL CONTINUALLY MONITOR ADOPTED AND PROPOSED DEVELOPMENT REQUIREMENTS AND PROCESSING PROCEDURES TO DETERMINE THEIR EFFECT ON HOUSING PRODUCTION COSTS AND WILL RECOMMEND MODIFICATION OR ELIMINATION OF THOSE THAT MAY ADD TO HOUSING COST WITHOUT PROVIDING SUBSTANTIAL PUBLIC BENEFIT.

Results: Development requirements are reviewed prior to adoption for both public benefit and effect on housing costs. The county has been working to eliminate unnecessary requirements. Recent amendments to county ordinances have been aimed toward reducing the time spent in the review process for farmworker housing group quarters, discretionary land use permits and land divisions. This was accomplished by eliminating steps and shifting review authority. These changes are expected to result in a

time savings of approximately 4 months for discretionary projects. All residential projects should benefit.

Also, road improvement requirements for some projects have been reduced. This has reduced overall project cost.

A8: THE COUNTY WILL URGE THE STATE AND FEDERAL GOVERNMENT TO AVOID ENACTING LAWS AND REGULATIONS THAT RESULT IN INCREASED HOUSING COSTS.

Results: The county routinely comments on proposed state and federal legislation that adversely impacts the cost of housing.

A9: THE COUNTY HAS CHANGED ITS ORDINANCES TO ALLOW INDIVIDUAL MOBILEHOMES, MOBILEHOME PARKS AND SUBDIVISIONS ON SMALLER PARCELS WITHIN URBAN RESERVE AREAS, AND ALSO TO ALLOW INDIVIDUAL MOBILEHOMES IN RURAL AREAS ON PARCELS OF LESS THAN 10 ACRES.

Results: This change is recent and will likely result in an increase in the numbers of individual mobilehomes in rural areas. Between July of 1989 and June of 1993, building permits were finalized for 334 mobilehomes on individual parcels throughout the unincorporated area.

A10: THE COUNTY HAS ESTABLISHED A PERMIT PROCESSING ADVISORY COMMITTEE THAT WILL CONTINUE TO REVIEW THE PRINCIPAL CAUSES OF INCREASED HOUSING COSTS (ESPECIALLY THOSE WHERE LOCAL ACTION CAN BE EFFECTIVE) AND DEVELOP AND RECOMMEND TO THE BOARD OF SUPERVISORS CHANGES IN REGULATIONS AND RESTRICTIONS, INCENTIVES TO PRIVATE DEVELOPMENT AND OTHER SOLUTIONS.

Results: This committee, known as the permit streamlining committee, has recommended changes in regulations that when implemented have resulted in faster processing times for many types of projects. The most recent amendments have reduced processing times for farmworker housing group quarters projects, land divisions and some discretionary land use permits. This was accomplished by eliminating steps and shifting review authority. These amendments have benefited all residential projects. The Department of Planning and Building has also established a streamlining committee within the department to insure an ongoing review of procedures that affect permit processing time and to make changes when necessary.

A11: THE COUNTY HAS ESTABLISHED AN ADVISORY HOUSING TASK FORCE TO STUDY HOUSING PROBLEMS IN THE COUNTY AND RECOMMEND TO THE BOARD OF SUPERVISORS POTENTIAL SOLUTIONS TO THE PROBLEMS IDENTIFIED.

Results: The Housing Task Force was recently re-activated and continues to meet and advise staff on solutions to housing problems within the county.

OBJECTIVE B: Take all practical, reasonable, affordable and appropriate steps to develop home ownership opportunities for all county residents.

Ownership Opportunity Policies

County housing policies that address opportunities for home ownership are included under objective A.

Ownership Opportunity Programs

B1: THE COUNTY MAY ASSIST LIMITED EQUITY COOPERATIVE HOUSING BY ENCOURAGING LENDERS AND AGENCIES THAT MAY HELP ESTABLISH COOPERATIVES.

Results: The county has had virtually no interest from lenders or builders in the limited equity cooperative concept. We have assisted low income mobilehome park residents on two occasions by sponsoring applications to the state Mobilehome Park Resident Ownership Program. One application involved purchase of the park by the residents. The other involved assistance to low income residents with lot purchase when a park was converted to a subdivision. Both of these applications were funded by the state. The park purchase application will result in a cooperative ownership arrangement.

B2: THE COUNTY WILL GRANT A DENSITY BONUS OR OTHER APPROPRIATE INCENTIVES AS SPECIFIED IN GOVERNMENT CODE 65915, AND IMPLEMENTED BY SECTION 22.04.090 OF THE COUNTY CODE, TO DEVELOPERS WHO CONSTRUCT UNITS FOR HOUSEHOLDS OF LOW OR MODERATE INCOME.

Results: The county offers a density bonus of up to 35% for developers who construct units for low and very low income households. To date, few

units (less than 10) have been constructed under the density bonus provisions of the county land use ordinance. Part of the reason for this has been a high demand (up until 1990) for large expensive units in the county.

B3: WHERE APPROPRIATE, THE COUNTY WILL SUPPORT THE OBJECTIVES OF ORGANIZATIONS THAT PROVIDE LOWER-COST OWNERSHIP HOUSING. SUCH SUPPORT MAY INCLUDE OBTAINING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR LAND ACQUISITION OR HOUSING IMPROVEMENT PROJECTS.

Results: For several years the county has worked with the local non-profit, Peoples' Self Help Housing Corporation to secure Community Development Block Grant funds for both rehabilitation and land acquisition projects. Since 1986, the county has used grants from the state Community Development Block Grant Program to rehabilitate 84 units, acquire 29 existing units for low income rental housing and assist 25 very-low income households with the purchase of single family dwellings. The county has also received a written commitment from the Home Investment Partnership (HOME) Program for funds to assist with the purchase of 76 rental units for very-low and low income households.

B4: THE COUNTY WILL CONTINUE TO ENCOURAGE OWNER-BUILT HOUSING BY PROVIDING STANDARD BUILDING DETAIL DRAWINGS AND OTHER AIDS AS WELL AS PROVIDE A SUFFICIENT NUMBER OF BUILDING INSPECTORS SO THAT APPROPRIATE AND REASONABLE EXTRA TIME MAY BE SPENT WITH THE OWNER-BUILDER AT THE HOUSING SITE.

Results: The county currently provides assistance with code compliance information for owner-builders. The county also provides detailed drawings for certain structures such as carports, garages and retaining walls.

B5: THE COUNTY WILL CONSIDER PARTICIPATION IN A LOCAL REVENUE BOND ISSUE TO ESTABLISH A LOW INTEREST MORTGAGE LOAN FUND FOR FIRST-TIME HOME BUYERS.

Results: To date, the county has not participated in any revenue bonds for housing. An affordable housing strategy study funded by the state Community Development Block Grant program and currently in progress is looking at a variety of strategies to promote affordable housing and funding sources to implement those strategies.

OBJECTIVE C: Take all practical, reasonable, affordable and appropriate steps to encourage an adequate supply of sound rental housing in all price ranges.

Rental Supply Policy

The county recognizes the need for rental housing and will support programs to work toward an equitable balance of rental and owner-occupied housing.

Results: The focus of development in the unincorporated area continues to be single family owner occupied units. From July of 1985 to July of 1992 permits were issued for a total of 303 multi-family projects. It is likely that some of these were added to the county's rental stock. As noted under B3, the county has used Community Development Block Grant funds to assist in the purchase of 29 rental housing units and has a commitment from the HOME program of funds to assist in the purchase of an additional 76 rental units.

Rental Supply Programs

C1: SAN LUIS OBISPO COUNTY WILL WORK WITH EXISTING HOUSING AUTHORITIES TO OFFER A WIDER RANGE OF ASSISTANCE TO DEVELOPERS, OWNERS AND CLIENTS OF LOWER-INCOME RENTAL HOUSING.

Results: The county currently contracts with the Housing Authority of the City of San Luis Obispo to administer its section 8 rental assistance program. Currently, approximately 234 households in the unincorporated area receive section 8 assistance. This number varies because households receiving section 8 assistance may locate anywhere in the county including the incorporated cities.

C2: TO ENCOURAGE CONSTRUCTION OF NEW RENTAL UNITS, THE COUNTY WILL WORK TOWARD REDUCING GOVERNMENTAL DETERRENTS TO MULTI-FAMILY PROJECTS.

Results: The county has been involved in an on-going effort to streamline its building permit, land use permit and subdivision review processes. This has resulted in reductions in processing time for multi-family projects. In addition, the county facility fees and road fees are less for multi-family units.

C3: THE COUNTY WILL ENCOURAGE CAL POLY TO PROVIDE ADDITIONAL CAMPUS HOUSING OPPORTUNITIES FOR SINGLE AND MARRIED STUDENTS.

Results: On-campus housing for single students continues to be inadequate given normal enrollment patterns. Currently on-campus housing is at 78% capacity due to fewer new students. When the economy recovers and the state budget crises is over, increasing numbers of new students will absorb this capacity. There is currently no on-campus housing designed to meet the needs of married students.

C4: THE COUNTY WILL MONITOR THE EFFECTS OF THE SECONDARY DWELLING PROVISIONS ESTABLISHED IN SECTION 22.08.036 OF THE COUNTY CODE IN 1984. THE COUNTY WILL DEVELOP A PUBLIC INFORMATION HANDOUT TO PUBLICIZE THE OPPORTUNITY TO ESTABLISH SECONDARY DWELLINGS.

Results: The second unit ordinance has been used to develop 84 units between July of 1989 and June of 1993. The county has developed an information handout to publicize the opportunities available through the secondary dwelling ordinance.

OBJECTIVE D: To encourage and promote, to the degree feasible and practical, the preservation and rehabilitation of the existing housing supply.

Policy for Maintaining Existing Housing

Incentives and assistance should be provided by the appropriate agency or private group to support upgrading rental units and homes to building code standards.

Results: For several years the county has used funds available through the state Community Development Block Grant(CDBG) program to assist low income homeowners and landlords who rent to low income households in upgrading their units to building code standards. This assistance has been in the form of grants and low interest loans.

Programs for Maintaining Existing Housing

(Program A3 addresses the issue of consumer education in housing maintenance and rehabilitation.)

D1: THE COUNTY WILL DISCOURAGE CONVERSION OF RESIDENTIAL AREAS TO NON-RESIDENTIAL USES.

Results: Proposed conversions of residential areas to non-residential uses are subject to review by the county through the general plan amendment process. Impacts to housing and the supply of residential land are considered.

D2: THE COUNTY WILL ENCOURAGE THE HOUSING AUTHORITY, OTHER LOCAL AGENCIES AND NONPROFIT GROUPS TO APPLY FOR HOUSING MAINTENANCE AND REHABILITATION GRANTS.

Results: For several years a local non-profit housing corporation has written successful grants for the county to the state Community Development Block Grant program. Many of these grants have been for housing maintenance and rehabilitation. Since 1986, 84 housing units have been rehabilitated in the unincorporated area using the program.

D3: THE COUNTY WILL SUPPORT ESTABLISHMENT OF A HOUSING ADVISORY AND INFORMATION SERVICE IN CONJUNCTION WITH ONE OF THE PUBLIC SERVICE OR NONPROFIT GROUPS IN THE COUNTY.

Results: The county currently contracts with a local non-profit housing organization, Peoples' Self Help Housing Corporation, to assist county staff with housing matters and provide information to the public. No formal advisory service has been established.

D4: WHEREVER POSSIBLE THE COUNTY WILL AVOID CAPITAL IMPROVEMENT PROJECTS THAT ELIMINATE DWELLINGS AND REQUIRE RELOCATION OF RESIDENTS.

Results: The county has not implemented any capital improvement programs that required removal of dwellings or relocation of residents.

D5: IN COUNTY PROJECTS THAT MAKE RESIDENTIAL DISPLACEMENT UNAVOIDABLE, THE COUNTY WILL OFFER RELOCATION SERVICES BEFORE DISPLACING RESIDENTS.

Results: This program has not been used but remains in effect.

D6: IN CASES WHERE RESIDENTIAL RELOCATION IS CAUSED BY BUILDING CODE ENFORCEMENT, THE COUNTY WILL OFFER

RELOCATION COUNSELING THROUGH THE HOUSING AUTHORITY OR OTHER RESPONSIBLE AGENCY.

Results: Where building code enforcement action requires relocation of residents, the county refers the individuals and/or families to the appropriate agencies.

D7: WHERE COMPLAINTS ARE RECEIVED ON THE CONDITION OF RENTALS, THE COUNTY WILL INSPECT THE UNITS AND, IF SIGNIFICANT OR PERSISTENT VIOLATIONS EXIST, WILL BEGIN TAX ABATEMENT PROCEDURES IN A TIMELY MANNER PURSUANT TO STATE REVENUE AND TAX CODE SECTIONS 17299 AND 24436.5.

Results: The county has the option of proceeding with abatement, however, this rarely occurs.

OBJECTIVE E: To promote optimum use of residential land near employment, shopping, transportation, social services and other public services.

Housing Location Policies

1. Development should be encouraged in new and existing subdivisions within the urban and village areas designated in the Land Use Element and contiguous extensions of these areas rather than scattered rural residential development. This is not intended to discourage development of existing lots in rural areas as homesites.

Results: The county encourages development within urban and village areas by offering higher densities and more services than are available in rural areas. In addition, county general plan policies encourage infill and locating new development near existing development in the urban areas.

2. Capital improvement program priorities should be reviewed in relationship to adequate services for new housing.

Results: The county currently monitors the capacity of water and sewer service providers through the Resource Management System to insure adequate services exist for new housing.

3. General plan amendments and land use regulations should provide for greater residential densities near employment and public service areas.

Results: The county general plan encourages higher residential densities in urban areas where public services and employment opportunities are located. General plan amendments proposing changes to higher densities are reviewed to ensure adequate services are available.

4. Current community resources should be inventoried and the county should strive to ensure that adequate water, wastewater treatment and other services exist or are specifically scheduled to meet housing needs.

Results: The county currently has in place a Resource Management System (RMS) which monitors the following: water availability, sewage capacity, air quality, schools and road capacity. Monitoring through the RMS has resulted in a variety of corrective actions to address resource deficiencies including building moratoriums in portions of two communities.

5. Major generators of housing need (such as Cal Poly and large employers) must accept responsibility for the needs they create and actively participate in providing housing. In turn, each community near such housing need generators must allow for additional housing.

Results: Since the mid 1980's several multi-family projects have been constructed near Cal Poly to provide additional student housing. These projects are in the city, however, not on the Cal Poly campus. Currently, the county does not have any ordinance requirements that encourage large employers to participate in providing housing.

Housing Location Programs

E1: THE ESTABLISHMENT OF HOUSING UNITS ABOVE THE FIRST FLOOR OF OFFICE AND COMMERCIAL BUILDINGS WILL BE ENCOURAGED IN LOWER INTENSITY COMMERCIAL AND OFFICE AREAS WITHIN THE UNINCORPORATED COMMUNITIES WHERE RESIDENTIAL AND COMMERCIAL USES ON A SITE CAN BE DESIGNED TO BE COMPATIBLE WITH EACH OTHER. THIS WILL BE ENCOURAGED THROUGH PUBLIC INFORMATION PROGRAMS AND CONTINUING REFINEMENT OF LAND USE REGULATIONS.

Results: Current county ordinances allow housing units to be constructed in office and commercial areas as long as the unit is located on the second floor and/or rear of the parcel. Developers of some small projects have taken advantage of this allowance for mixed use.

E2: THE COUNTY WILL USE LAND USE PLANNING, LIMITED DENSITY TRANSFER AND PLANNED DEVELOPMENT INCENTIVES TO

ENCOURAGE IN-FILL AND INCREASED RESIDENTIAL DENSITIES IN EXISTING URBAN AREAS AND WILL AVOID CREATING ADDITIONAL SUBURBAN AND RURAL RESIDENTIAL AREAS OUTSIDE OF URBAN AND VILLAGE RESERVE LINES WHERE PUBLIC FACILITIES AND SERVICES CANNOT BE EFFICIENTLY AND ECONOMICALLY PROVIDED.

Results: The county encourages infill and increased residential densities in urban areas through higher density zoning and increased services not available in rural areas. The county is also working on a density transfer program to transfer densities from small parcels in antiquated rural subdivisions to urban areas or other more appropriate locations.

E3: IF THE AVAILABLE SUPPLY OF VACANT SINGLE-FAMILY OR MULTIPLE-FAMILY LAND FALLS BELOW 20 PERCENT OF THE COMMUNITY'S TOTAL SUPPLY OF EITHER LAND USE CATEGORY, THE COUNTY WILL CONSIDER AMENDING THE LAND USE ELEMENT TO DESIGNATE ADDITIONAL LAND FOR SUCH USE.

Results: During periodic updates of the Land Use Element, the county surveys the amount of vacant single family and multi-family land to insure that adequate land is available for future residential development.

E4: THE COUNTY RESOURCE MANAGEMENT SYSTEM WILL ENABLE NOTIFYING THE BOARD OF SUPERVISORS AS COMMUNITIES APPROACH LIMITS OF VARIOUS RESOURCES. ANY ACTION THE BOARD TAKES BASED ON THIS INFORMATION WILL INCLUDE CONSIDERATION OF IMPACTS ON HOUSING AVAILABILITY AND COST.

Results: The Resource Management System has been used on several occasions to notify the Board of Supervisors of potential water and sewer capacity constraints in unincorporated communities. Action taken by the Board is based on a variety of factors, including housing availability and cost.

E5: THE COUNTY WILL REVIEW SURPLUS PUBLIC LANDS AT THE TIME OF SURPLUSING AND OTHER SOURCES OF LAND FOR THE FEASIBILITY OF PROVIDING AFFORDABLE HOUSING.

Results: When the county surpluses and sells public land, a general plan conformity report must be prepared by the Department of Planning and Building staff. Through the conformity report process, the land is evaluated for suitability for housing or other uses.

E6: THE COUNTY MAY REQUIRE PREPARATION OF A SPECIFIC PLAN OR OTHER DETAILED NEIGHBORHOOD PLAN TO SHOW FUTURE STREET, LOT AND DRAINAGE SYSTEM LAYOUTS PRIOR TO APPROVAL OF A PROPOSED SUBDIVISION IN THE RESIDENTIAL SINGLE-FAMILY LAND USE CATEGORY THAT WOULD RESULT IN LARGE LOTS INTENDED FOR FURTHER DIVISION WHEN REQUIRED COMMUNITY SERVICES BECOME AVAILABLE.

Results: In some instances, the county has required future street and lot layout plans prior to approval of subdivisions in the residential single family category that result in large lots.

E7: THE COUNTY WILL OVERSEE PREPARATION OF NEIGHBORHOOD PLANS FOR MAJOR UNINCORPORATED SINGLE-FAMILY AND MULTIPLE-FAMILY RESIDENTIAL AREAS WITHIN URBAN AND VILLAGE RESERVE LINES TO INSURE THAT INTERIM LOW-DENSITY LAND DIVISIONS WILL NOT PREVENT LATER DEVELOPMENT AT THE FULL DENSITIES PLANNED IN THE LAND USE ELEMENT.

Results: The county has approved several specific plans for major residential development projects. These plans include schedules showing both interim and final phases of development.

APPENDIX A: FEES

The following tables show typical processing fees for various types of development projects. Parcel maps are filed for land divisions up to four parcels. Tract maps are filed for land divisions involving five or more parcels. Residential projects on single parcels in the inland area not involving land divisions require the following land use permits: 5-20 units (Site Plan), 21-39 units (Minor Use Permit), 40 or more units (Development Plan). Residential projects on single parcels in the coastal zone not involving land divisions require the following land use permits: 5-24 units (Minor Use Permit), 25 or more units (Development Plan). In the coastal zone, 9 or more units in a single structure also requires a Development Plan.

Note: Fees listed below are based on typical projects. These fees were effective April 1, 1993, and are subject to change. The Department of Planning and Building should be contacted for fee requirements on specific projects.

Parcel Maps

Common Parcel Map Types	Map Amount	Fee Amount W/ Concurrent Dev. Plan
Inland	\$1936.00	\$3428.00
Inland Condo Conv.	\$1542.00	\$2356.00
Coastal	\$2033.00	\$3525.00
Coast Condo Conv.	\$1639.00	\$2453.00

Tract Maps

Common Tract Map Types	Map Amount	Fee Amount W/ Concurrent Dev. Plan
Inland	\$3224.00	\$4025.00
Inland Condo Conv.	\$2252.00	\$2853.00
Coastal	\$3354.00	\$4155.00
Coast Condo Conv.	\$2382.00	\$2983.00

Minor Use Permits

Common Minor Use Permit Types	Total Fee Amount
Inland Minor	\$ 546.00
Coastal Minor	\$ 636.00
Inland Minor with Drainage Plan	\$ 941.00
Coastal Minor with Drainage Plan	\$1031.00
Inland Major	\$1608.00
Coastal Major	\$1698.00

Site Plan

Common Site Plan Types	Total Fee Amount
Site Plan w/o Drainage Plan	\$ 350.00
Site Plan with Drainage Plan Required	\$ 1131.00

Development Plan

Summary of Common Development Plan Types	Total Fee Amount
Regular	\$ 2206.00
Modif. of LUO Std.	\$ 761.00
Oil Wells & Mines (all RTB)	\$ 2786.00+ (RTB)
Mine with Concurrent Reclamation Plan	\$ 3589.00+ (RTB)
W/Concurrent Tract Map (14)	\$ 4025.00
W/Concurrent Tract Map Coastal (14)	\$ 2853.00
W/Concurrent Condo Tract Map (14)	\$ 4155.00
W/Concurrent Condo Tract Map Coastal (14)	\$ 2983.00
W/Concurrent Parcel Map (14)	\$ 3428.00
W/Concurrent Parcel Map Coastal (14)	\$ 2356.00
W/Concurrent Condo Parcel Map (14)	\$ 3525.00
W/Concurrent Condo Parcel Map Coastal (14)	\$ 2453.00

Building Permit

Fee Category and Type	SINGLE FAMILY HOUSE SIZE		
	<u>Small</u> (2) 1500 sf SFD 450 sf Gar.	<u>Medium</u> (2) 2500 sf SFD 550 sf Gar.	<u>Large</u> (2) 3500 sf SFD 650 sf Gar.
<u>Building Division Fees</u> (in Full Dollars)			
BUILDING FEES -based on Square Footage-	1,784.00	2,300.00	2,816.00

NOTES:

- These figures are based on good quality construction, a small SFD with average quality construction would total \$ 1,563.00, and a medium SFD with average quality construction would total \$ 1,994.00.

OTHER FEES NECESSARY TO OBTAIN PERMITS:

Mandatory school assessment fee is generally \$2.65 per sq. ft. and is paid to the local school district. (must show proof of payment at permit issuance).

Public Facility fees per dwelling unit in amount of \$2,687 paid to the County Planning and Building Department for all new single-family dwellings, does not apply to replacements or additions. This fee is paid for affordable housing units through a mitigation fee paid on market rate lots in new subdivisions.

A separate permit is required for grading and fees are based on amount of cubic yards of soil to be cut and/or filled: a) 100 cy or less = \$350 b) 101 - 1000 cy = \$470 c) 1000 - 10,000 cy = \$640. These grading fees are base fees, and can include other add-on fees such as for drainage and for environmental review. If you wish a more accurate estimate feel free to call the Department of Planning and Building.

The following table illustrates that development fees in San Luis Obispo County are not excessive when compared to some other counties on the central coast of California.

COMPARISON OF SELECTED LOCAL GOVERNMENT FEES

January 23, 1993

	General Plan Amendment	Subdivision (5 or more lots)
Monterey County	\$1,953*	\$2,265 plus \$20 per lot
San Luis Obispo	\$3,636*	\$3,224
Santa Barbara County	\$10,278	\$13,194
Santa Cruz County	\$10,000*	\$10,000*
Ventura County	\$1,265*	\$2,300 plus \$35 per lot

* Fees represent initial deposits. The actual cost may be more or less, depending upon the amount of staff time needed.

APPENDIX B: GLOSSARY

Affordable housing - Housing available to low- and moderate-income persons at a cost not greater than 30 percent of gross monthly household income.

Article 34 - Article 34 of the State Constitution requires local voter approval before public funds may be used to develop, acquire or construct conventional low-rent housing.

Buildable land - Land upon which development is allowed.

Cluster development - Rather than spreading houses uniformly over an entire piece of land, the developer builds higher densities in certain areas and preserves open space in others.

Consumer price index - Prepared monthly by the Federal Bureau of Labor Statistics, it is described as "a statistical measure of changes in prices of goods and services both by urban wage earners and clerical workers." It measures the relative change in the average price of a group of 400 goods and services.

Density transfer - Cluster development is based on density transfer where overall density is the same as if lots are all one size but the lots in the developed area are smaller than normally allowed.

Equity - The interest or value an owner has in real estate over and above liens against it (e.g., mortgage, taxes, judgements, etc.).

Family - One person living alone or two or more persons related each to all other by blood, marriage or legal adoption, or a group of no more than five unrelated persons living in a single dwelling.

Gross rent - Contract rent plus the average monthly cost of utilities.

Household - The persons who occupy an individual housing unit. Thus, the total number of households is equal to the total number of occupied housing units.

Household head - The person regarded as head by household members.

Householder - The person in whose name the home was owned or rented.

Housing quality

Descriptive terms are defined as follows:

Sound units have no defects or have minor defects that could be corrected by normal maintenance.

Deteriorating units generally need more repair than can be accomplished by the owner and would create a financial burden for many families.

Dilapidated units have deteriorated to a level that threatens the safety of occupants and may cause loss of the building if not repaired soon.

Housing unit - A groups of rooms or a single room usable as separate living quarters. A housing units may be vacant, occupied by a family, family and unrelated persons living together, a group of unrelated persons living together, or by one person.

In-fill building - Development on vacant or underused sites in existing communities. Such communities are limited by the urban reserve or village reserve lines as shown in the county Land Use Element.

Low and Moderate Income - Income categories defined by the Department of Housing and Urban Development as follows, based on the total annual income for a four person family:

Very low income	0 - 50% of median income
Low income	50 - 80% of median income
Moderate income	80 - 120% of median income
High income	Above 120% of median income

Manufactured housing - Constructed off-site, typically in a factory. Includes mobilehomes, modular homes, component and unitized housing.

Median income, rent, sales price, etc. - That point in a range of figures above and below which exist an equal number of figures - the mid-point.

Moratorium - A suspension of building activity, usually due to a scarcity of resources.

Retaliatory eviction - Eviction as direct retaliation for complaining about rental properties conditions.

Section 8 - A federal grant subsidy program for lower-income families, which helps them afford decent housing in the private market.

Speculation - Investment in a commodity with the expectation of profiting from market fluctuations, generally within a short time.

Standard Metropolitan Statistical Area (SMSA) - An SMSA is a county or group of counties containing at least one city with a population of 50,000 or more plus adjacent counties that are metropolitan in character and are economically and socially integrated with the central city. San Luis Obispo County is not a SMSA.

Subdivision - The division of any improved or unimproved land for the purpose of sale, lease or financing.

Subsidized housing - Housing that is made affordable to low- and moderate-income persons with the aid of various public and private programs.

Substandard housing - Housing needing significant structural or electrical/plumbing system repairs. Such housing threatens the health and safety of its occupants.

Urban reserve line - Boundary between urban land uses and rural countryside. Defines primary area for urban growth during the 20-year horizon of the Land Use Element.

Village reserve line - Villages are areas in the rural countryside where homes are grouped in settlements of greater density than surrounding rural areas, but are not self-sufficient communities. The village reserve line establishes a boundary between the settlement (including the area within which new development is expected to occur within the term of the plan) and the surrounding countryside.

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